

**UNITED WAY OF GLOUCESTER COUNTY, INC.  
FINANCIAL STATEMENTS  
SUPPLEMENTAL INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEARS ENDED JUNE 30, 2017 and 2016**

**UNITED WAY OF GLOUCESTER COUNTY, INC.**

**INDEX**

<b>Independent Auditor's Report</b>	<b>1</b>
<b>Independent Auditor's Report on Additional Information</b>	<b>3</b>
<b>Financial Statements:</b>	
<b>Statements of Financial Position</b>	<b>4</b>
<b>Statements of Activities</b>	<b>5 – 6</b>
<b>Statements of Functional Expenses</b>	<b>7 – 8</b>
<b>Statements of Cash Flows</b>	<b>9</b>
<b>Notes to Financial Statements</b>	<b>10 – 15</b>
<b>Supplementary Information</b>	
<b>Schedule of Investments</b>	<b>16</b>
<b>Schedule of Budget to Actual</b>	<b>17</b>

Robert J. Verna  
Founder

Paul Verna, CPA  
Principal



Timothy J. Battista  
Principal

Kerry Andrew Revelas, CPA  
Principal

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
United Way of Gloucester County, Inc.  
Thorofare, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of United Way of Gloucester County, Inc. (a Not-for-Profit Organization), which comprise the statements of financial condition as of June 30, 2017 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the statements. The financial statements of United Way of Gloucester County, Inc. as of June 30, 2016 and the fiscal year then ended were audited by other auditors whose report dated September 30, 2016 expressed an unqualified opinion on those statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RV Professional Building • 105 Jessup Road • Thorofare, New Jersey 08086-2138

10 Beatty Road Suite 104 • Media, PA 19063

Phone. 856.384.8400 • Fax. 856.384.1622



**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Gloucester County, Inc. as of June 30, 2017, and the changes in net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

*Verna & Associates*

*Verna & Associates*

Thorofare, New Jersey  
September 3, 2017

Robert J. Verna  
Founder

Paul Verna, CPA  
Principal



Timothy J. Battista  
Principal

Kerry Andrew Revelas, CPA  
Principal

**INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION**

We have audited the financial statements of United Way of Gloucester County, Inc. as of and for the year ended June 30, 2017, and have issued our report thereon dated September 3, 2017, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Verna & Associates*

*Verna & Associates*

**Thorofare, New Jersey  
September 15, 2017**



**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30,**

	2017	2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,164,126	\$ 820,562
Investments	816,689	977,499
Pledges Receivable	572,665	618,816
Due from Affiliate	1,805	2,185
<b>TOTAL CURRENT ASSETS</b>	<u>2,555,285</u>	<u>2,419,062</u>
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>		
Land	110,400	110,400
Building	440,410	440,410
Improvements	6,163	6,163
Computer Equipment	45,425	45,425
Office Equipment	32,993	32,993
	<u>635,391</u>	<u>635,391</u>
Less: Accumulated Depreciation	272,817	257,369
<b>NET PROPERTY, PLANT &amp; EQUIPMENT</b>	<u>362,574</u>	<u>378,022</u>
<b>OTHER ASSETS</b>		
Security Deposits Placed	435	435
<b>TOTAL OTHER ASSETS</b>	<u>435</u>	<u>435</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 2,918,294</u></u>	 <u><u>\$ 2,797,519</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accrued Expenses	\$ 35,417	\$ 27,132
Accrued Compensated Absences	10,700	11,406
Allocations Payable	704,791	665,000
Donor Choice Payable	226,872	210,908
	<u>977,780</u>	<u>914,446</u>
<b>TOTAL LIABILITIES</b>	<u>977,780</u>	<u>914,446</u>
<b>NET ASSETS</b>		
Unrestricted - Board Designated	59,153	59,153
- Undesignated	1,472,481	1,398,095
Temporarily Restricted	408,880	425,825
	<u>1,940,514</u>	<u>1,883,073</u>
<b>TOTAL NET ASSETS</b>	<u>1,940,514</u>	<u>1,883,073</u>
 <b>TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS</b>	 <u><u>\$ 2,918,294</u></u>	 <u><u>\$ 2,797,519</u></u>

The accompanying notes are an integral part of the financial statements.

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE FISCAL YEARS ENDED JUNE 30,**

	2017		2016	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
	Total	Total	Total	Total
<b>PUBLIC SUPPORT and REVENUE</b>				
Public Support				
Gross Campaign Results	\$ 1,615,342	\$ -	\$ 1,684,938	\$ -
Contributions received in prior periods (released from restrictions)	425,825	(425,825)	35,000	(35,000)
Less donor restrictions	(275,128)	-	(346,425)	-
Less allowance for uncollectible pledges	(156,603)	-	(109,966)	-
Contributions	3,332	-	-	-
	1,612,768	(425,825)	1,263,547	(35,000)
	1,186,943	1,186,943	1,228,547	1,228,547
<b>Revenue</b>				
Program Service Fees	12,463	-	16,391	-
Grants	-	426,517	-	646,600
Investment Income	7,821	-	8,191	-
Special Events	30,908	-	30,352	-
Miscellaneous	3,279	-	5,261	-
Assets released from Restrictions	17,637	(17,637)	316,116	(316,116)
Satisfaction of Program Restrictions	72,108	408,880	376,311	330,484
	480,988	480,988	706,795	706,795
<b>TOTAL PUBLIC SUPPORT and REVENUE</b>	\$ 1,684,876	\$ (16,945)	\$ 1,639,858	\$ 295,484
	\$ 1,667,931	\$ 1,667,931	\$ 1,935,342	\$ 1,935,342

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF GLOUCESTER COUNTY, INC.  
 STATEMENTS OF ACTIVITIES  
 FOR THE FISCAL YEARS ENDED JUNE 30,

2017

2016

EXPENSES

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Program Services						
Gross Funds Awarded/Distributed (less Donor Designations)	\$ 970,128 (275,128)	-	\$ 970,128 (275,128)	\$ 1,017,025 (346,425)	-	\$ 1,017,025 (346,425)
Net Funds Awarded/Distributed	<u>695,000</u>	-	<u>695,000</u>	<u>670,600</u>	-	<u>670,600</u>
Agency and community relations	25,633	-	25,633	40,503	-	40,503
Donor Relations	118,018	-	118,018	124,414	-	124,414
Community initiatives/problem solving	497,827	-	497,827	392,710	-	392,710
Women's Leadership Council	1,123	-	1,123	2,910	-	2,910
	<u>642,601</u>	-	<u>642,601</u>	<u>560,537</u>	-	<u>560,537</u>
Total Program Services	<u>1,337,601</u>	-	<u>1,337,601</u>	<u>1,231,137</u>	-	<u>1,231,137</u>
Supporting Services						
Management and General Fundraising	122,935	-	122,935	129,589	-	129,589
United Way Worldwide Dues	124,520	-	124,520	131,587	-	131,587
	<u>25,434</u>	-	<u>25,434</u>	<u>17,331</u>	-	<u>17,331</u>
Total Supporting Services	<u>272,889</u>	-	<u>272,889</u>	<u>278,507</u>	-	<u>278,507</u>
Total Expenses	<u>1,610,490</u>	-	<u>1,610,490</u>	<u>1,509,644</u>	-	<u>1,509,644</u>
Increase (Decrease) in net assets	74,386	(16,945)	57,441	130,214	295,484	425,698
Net Assets - Beginning of Year	<u>1,457,248</u>	<u>425,825</u>	<u>1,883,073</u>	<u>1,327,034</u>	<u>130,341</u>	<u>1,457,375</u>
TOTAL PUBLIC SUPPORT and REVENUE	<u>\$ 1,531,634</u>	<u>\$ 408,880</u>	<u>\$ 1,940,514</u>	<u>\$ 1,457,248</u>	<u>\$ 425,825</u>	<u>\$ 1,883,073</u>

The accompanying notes are an integral part of these financial statements



UNITED WAY OF GLOUCESTER COUNTY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

EXPENSES	PROGRAM SERVICES					SUPPORTING SERVICES					Total 2017
	Agency & Community Relations	Donor Relations	Community Initiatives/ Problem Solving	Women's Leadership Council	TOTAL	Management and General	Fundraising	UWW Dues	Total		
Allocations/Awards (Less Donor Designation)	\$ 970,128 (275,128)	\$ -	\$ -	\$ -	\$ 970,128 (275,128)	\$ -	\$ -	\$ -	\$ -	\$ 970,128 (275,128)	
Sub-Total	695,000	-	-	-	695,000	-	-	-	-	695,000	
Salaries and Wages	15,508	74,440	65,135	-	155,084	77,542	77,542	-	155,084	310,168	
Employee Benefits	2,101	10,087	8,826	-	21,015	10,507	10,507	-	21,015	42,029	
Payroll Taxes	1,279	6,138	5,371	-	12,788	6,394	6,394	-	12,788	25,575	
Sub-Total	18,889	90,665	79,332	-	188,886	94,443	94,443	-	188,886	377,772	
Professional Fees	450	2,160	1,880	-	4,500	2,250	2,250	-	4,500	9,000	
Supplies	221	1,062	929	-	2,213	1,106	1,106	-	2,213	4,425	
Computer Expenses	21	98	86	-	205	103	103	-	205	410	
Telephone	368	1,764	1,544	-	3,676	1,838	1,838	-	3,676	7,351	
Postage and Shipping	114	546	478	-	1,138	569	569	-	1,138	2,275	
Rental and equipment maintenance	447	2,146	1,878	-	4,471	2,235	2,235	-	4,471	8,941	
Travel Costs	195	934	817	-	1,946	973	973	-	1,946	3,891	
Board and Operating Meetings	40	190	166	-	396	198	198	-	396	792	
Dues and subscriptions	32	154	135	-	321	161	161	-	321	642	
Insurance	581	2,791	2,442	-	5,815	2,907	2,907	-	5,815	11,629	
Utilities	437	2,086	1,834	-	4,367	2,184	2,184	-	4,367	8,734	
Awards	386	1,860	1,628	-	3,876	1,938	1,938	-	3,876	7,752	
Payroll Service	124	595	520	-	1,239	620	620	-	1,239	2,478	
Janitorial services	167	800	700	-	1,666	833	833	-	1,666	3,332	
Building Maintenance and Supplies	342	1,639	1,434	-	3,415	1,708	1,708	-	3,415	6,830	
Campaign printing and supplies	534	2,565	2,244	-	5,344	2,672	2,672	-	5,344	10,688	
Staff Training	35	167	146	-	347	174	174	-	347	694	
Charitable Registration	13	60	53	-	125	63	63	-	125	250	
Miscellaneous	172	824	721	-	1,716	858	858	-	1,716	3,432	
Special Grants	-	-	-	-	-	-	-	-	-	-	
Women's Leadership Council	-	-	-	1,123	1,123	-	-	-	-	394,562	
5k Run expenses	-	-	-	-	-	-	-	-	-	1,123	
Campaign Kick Off Expenses	1,046	-	-	-	1,046	1,585	1,585	-	1,585	1,585	
Marketing	249	1,194	1,045	-	2,487	1,244	1,244	-	2,487	1,046	
Depreciation	772	3,708	3,244	-	7,724	3,862	3,862	-	7,724	4,974	
Sub-Total	6,744	27,352	418,495	1,123	453,715	28,492	30,077	-	58,569	512,284	
United World Wide and Associated Dues	-	-	-	-	-	-	-	25,434	25,434	25,434	
Total expenses	\$ 720,633	\$ 118,018	\$ 497,827	\$ 1,123	\$ 1,337,601	\$ 122,935	\$ 124,520	\$ 25,434	\$ 272,889	\$ 1,610,490	

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF GLOUCESTER COUNTY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

EXPENSES	PROGRAM SERVICES				SUPPORTING SERVICES				Total 2016
	Agency & Community Relations	Donor Relations	Community Initiatives/ Problem Solving	Women's Leadership Council	TOTAL	Management and General	Fundraising	UWW Dues	
Allocations/Awards (Less Donor Designation)	\$ 1,017,025 (346,425)	\$ -	\$ -	\$ -	\$ 1,017,025 (346,425)	\$ -	\$ -	\$ -	\$ - \$1,017,025 (346,425)
Sub-Total	670,600	-	-	-	670,600	-	-	-	670,600
Salaries and Wages	16,370	78,576	68,754	-	163,700	81,850	81,850	-	163,700
Employee Benefits	2,321	11,140	9,748	-	23,209	11,604	11,605	-	23,209
Payroll Taxes	1,415	6,791	5,942	-	14,148	7,074	7,074	-	14,148
(Less Administrative Allocations)	(8,798)	-	(17,766)	-	(26,564)	-	-	-	(26,564)
Sub-Total	11,308	96,507	66,678	-	174,493	100,528	100,529	-	201,057
Professional Fees	505	2,424	2,121	-	5,050	2,525	2,525	-	5,050
Supplies	477	2,291	2,004	-	4,772	2,386	2,386	-	4,772
Computer Expenses	149	716	627	-	1,492	747	746	-	1,493
Telephone	345	1,657	1,450	-	3,452	1,726	1,726	-	3,452
Postage and Shipping	135	650	569	-	1,354	677	677	-	1,354
Rental and equipment maintenance	316	1,518	1,329	-	3,163	1,562	1,562	-	3,164
Travel Costs	221	1,061	928	-	2,210	1,104	1,105	-	2,209
Board and Operating Meetings	57	275	240	-	572	286	286	-	572
Dues and subscriptions	29	141	123	-	293	146	147	-	293
Insurance	443	2,126	1,860	-	4,429	2,214	2,214	-	4,428
Utilities	421	2,021	1,768	-	4,210	2,104	2,105	-	4,209
Awards	344	1,653	1,446	-	3,443	1,721	1,722	-	3,443
Payroll Service	91	438	383	-	912	455	456	-	911
Janitorial services	167	800	700	-	1,667	832	833	-	1,665
Building Maintenance and Supplies	571	2,741	2,398	-	5,710	2,854	2,855	-	5,709
Campaign printing and supplies	535	2,569	2,248	-	5,352	2,675	2,676	-	5,351
Communications printing	10	49	43	-	102	50	51	-	101
Staff Training	15	72	63	-	150	76	76	-	152
Charitable Registration	19	91	79	-	189	94	95	-	189
Miscellaneous	160	767	671	-	1,598	800	799	-	1,599
Special Grants	19,500	-	301,616	-	321,116	-	-	-	321,116
Women's Leadership Council	-	-	-	2,910	2,910	-	-	-	-
5k Run expenses	-	-	-	-	-	-	-	-	-
Campaign Kick Off Expenses	3,883	-	-	-	3,883	-	1,988	-	1,988
Community Outreach	15	71	62	-	148	73	74	-	147
Depreciation	787	3,776	3,304	-	7,867	3,934	3,934	-	7,868
Sub-Total	29,195	27,907	326,032	2,910	386,044	29,061	31,056	-	60,119
United World Wide and Associated Dues	-	-	-	-	-	-	-	17,331	17,331
Total expenses	\$ 711,103	\$ 124,414	\$ 392,710	\$ 2,910	\$ 1,231,137	\$ 129,589	\$ 131,587	\$ 17,331	\$ 278,507
									\$ 1,509,643

The accompanying notes are an integral part of the financial statements.

**UNITED WAY OF GLOUCESTER COUNTY, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30,**

**INCREASE (DECREASE) IN CASH FLOWS**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 57,441	\$ 425,698
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	15,448	15,735
Investment Income	(7,821)	(8,191)
Changes in operating assets and liabilities:		
Decrease in pledge receivable	46,151	3,164
Increase in accrued expenses	8,285	27,132
Increase (Decrease) in accrued compensated absences	(706)	11,406
Increase (Decrease) in allocations and campaign payables	55,755	(136,946)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>174,553</u>	<u>337,998</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(386,382)	(1,080,918)
Proceeds from sale of investments	555,013	462,791
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>168,631</u>	<u>(618,127)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Increase) Decrease in Due from Affiliate	380	(2,185)
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>380</u>	<u>(2,185)</u>
 <b>NET INCREASE (DECREASE) IN CASH FLOWS</b>	343,564	(282,314)
 <b>CASH AT BEGINNING OF FISCAL YEAR</b>	<u>820,562</u>	<u>1,102,876</u>
 <b>CASH AT END OF FISCAL YEAR</b>	<u><u>\$ 1,164,126</u></u>	<u><u>\$ 820,562</u></u>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
During the fiscal year, cash was paid for the following:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

**UNITED WAY OF GLOUCESTER COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 and 2016**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Business and Nature of Activities**

The United Way of Gloucester County, Inc., (the "Agency") a not-for-profit organization and exempt from federal and state of New Jersey income taxes under Code Section 501(c)(3), is a fund-raising organization whose mission is to be the leader in building community capacity to foster individuals well-being in the Gloucester County area.

**Method of Accounting**

The Agency maintains its books and records and prepares their tax returns on the accrual basis of accounting. The accompanying financial statements have been prepared on the accrual basis, in which revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

**Basis of Presentation**

The Agency is a not-for-profit entity and follows the specialized accounting and reporting principles outlined in ASC 958, *Financial Statements of Not-For-Profit organizations*. Under ASC 958, the Corporation is required to report information regarding its financial position and activities according to three (3) classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

It is the policy of the Agency to report donor-restricted contributions whose restrictions are met in the same reporting period as the unrestricted support.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Property, Plant and Equipment**

Property, plant and equipment are recorded at cost. Depreciation is provided using the straight line method with ranges of estimated useful lives as set forth below.

	<u>Years</u>
Building	39
Leasehold Improvements	39
Equipment	3-5
Furniture and Fixtures	5-7

The policy of the Agency is to expense immaterial amounts under \$2,500 and capitalize individual items in excess of \$2,500. Expenditures for maintenance, repairs and minor renewals are charged to operations. Depreciation expense for the fiscal years ended June 30, 2017 and 2016 was \$15,735 and \$15,448, respectively.

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2017 and 2016**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

The Agency follows the provisions of ASC 740 "*Accounting for Uncertainties in Income Taxes*". This addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return are reported properly in the financial statements. The Corporation recognizes the tax benefit from an uncertain position when, based on technical merits, it is more likely than not the position will be sustained on examination by the taxing authorities.

Management has analyzed the possible tax positions taken by the Agency and has concluded that as of June 30, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Agency is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Agency believes it is no longer subject to income tax examinations for the years prior to 2015.

United Way of Gloucester County, Inc. is exempt from federal and state income taxes under Internal Revenue Service Code Section 501(c)(3) and New Jersey revenue Code Section 54:10A-3. As such, no provision for federal and state income tax has been made in the accompanying financial statements. In addition, these code sections enable the Corporation to accept donations which qualify as charitable contributions to the donor.

**Contributions**

In accordance with ASC 958-605 *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence and/or nature of the donor restriction.

**Fund Drives**

The Agency conducts an annual campaign for the support of partner agencies and other community services. Funds raised are allocated annually with periodic supplements to partner agencies, United Way operations and other program services. Pledges are considered available for unrestricted use unless specifically restricted by the donor. Agencies, such as the United Way have the option of including agency funds in gross revenue, then deducting those funds as reduction in revenue rather than as an expense. The treatment is necessary when donors designate specific agencies, or other United Way locations, as the beneficiary of those funds. The Agency has elected to report choice designations as a reduction in gross campaign revenue.

Contributions are recorded at their fair market value on the date of said contribution. Pledges, less an allowance for uncollectible accounts, are recorded as receivables in the year made. Pledges are deemed uncollectible and are written off if not received within two (2) years. A weighted average based on past experience is used as a basis for determining the current year estimated allowance. The uncollectible allowance used by the Agency during the fiscal years ended June 30, 2017 and 2016 was 7.5% and 7.5%, respectively

**Investments**

All of the Agency's investments consist of FDIC insured certificates of deposits. Investments are valued at cost plus any accrued interest, which approximates fair value due to the short-term nature of these investments.

**UNITED WAY OF GLOUCESTER COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 and 2016**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and services benefited. The allocations are based on the number of hours each employee spent on each function during the year and represents the following percentages:

<u>PROGRAM</u>	<u>FY 2017</u>	<u>FY 2016</u>
Agency Relations & Community Initiative	5%	5%
Donor Relations	24%	24%
Community Problem Solving	21%	21%
Management & General	25%	25%
Fundraising	<u>25%</u>	<u>25%</u>
Total	<u>100%</u>	<u>100%</u>

**Cash Flow Information**

The Agency considers all short-term investments with an original maturity of three (3) months or less to be cash equivalents.

**Reclassification**

Certain prior year amounts were reclassified to conform to the current year's presentation.

**Note 2 – Pledges Receivable**

Pledges receivable are recognized when made, assuming the donor's ability and intent to honor said pledge is known or estimable. An allowance for uncollectible pledges is recorded at the time the pledge is made. This allowance is revised periodically when conditions indicate changes in facts and circumstances. The allowance was \$88,812 and \$109,966 for the years ended June 30, 2017 and 2016, respectively. The allowance is estimated at 7.5% of pledges made, based on past years history.

**Note 3 – Investments**

	<u>FY 2017</u>	<u>FY 2016</u>
Certificates of Deposit	\$ 815,000	\$ 975,000
Accrued Interest	<u>1,689</u>	<u>2,499</u>
Total Investments	<u>\$ 816,689</u>	<u>\$ 977,499</u>

**UNITED WAY OF GLOUCESTER COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 and 2016**

**Note 4 – Property, Plant & Equipment**

Property, plant and equipment consist of the following as of June 30:

	<u>2017</u>	<u>2016</u>
Land	\$ 110,400	\$ 110,400
Buildings and Improvements	446,573	446,573
Office Furniture and Equipment	<u>78,418</u>	<u>78,418</u>
	635,391	635,391
Less: Accumulated Depreciation	<u>272,817</u>	<u>257,369</u>
Net Property, Plant and Equipment	<u>\$ 362,574</u>	<u>\$ 378,022</u>

The Agency's policy is to capitalize all acquisitions in excess of \$1,000 and all repairs/betterments in excess of \$2,500. All other costs are expensed as immaterial to the Agency's operating procedures. Depreciation is calculated utilizing the straight-line method over the economic useful life of the asset. Those lives range from 5-39 years.

**Note 5 – Donated Materials and Services**

Donated services are recognized as contributions if the services create or enhance non-financial assets, or require specialized skills performed by people with said skills and would have otherwise been purchased by the Agency. Volunteers may have also provided fund raising services throughout the year. Those costs have not been recognized in the financial records as they do not meet the criteria set forth by the Agency.

During the fiscal years ended June 30, 2017 and 2016, janitorial services were donated to the Agency for services conducted at the Thorofare, New Jersey location at a value of \$3,332 and \$3,332 for the years ended June 30, 2017 and 2016, respectively.

**Note 6 - Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits**

The Agency maintains its cash balances in financial institutions located in Southern New Jersey. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2017 and 2016, the Agency had credit risk arising out of excess deposits in the amount of \$514,974 and \$335,946, respectively.

The Agency received approximately 44% and 43% of total pledges receivable from three (3) contributors for the years ended June 30, 2017 and 2016.

**Note 7 – Allocations Payable**

Allocations payable represent amounts allocated to the United Way partner agencies as determined by the Board of Directors on an annual basis. It is the policy of the Agency to report donor choice designations as a reduction to gross campaign revenue.

**UNITED WAY OF GLOUCESTER COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 and 2016**

**Note 8 – Pension Plan**

The Agency adopted a defined contribution 401K retirement plan effective July 1, 1997. The plan covers all full-time employees who are at least twenty-one (21) years old and have at least one (1) year of service with the Agency. Employees with prior not-for-profit experience within the past three (3) years are immediately eligible upon employment with the Agency. Eligible employees may contribute up to the maximum amount allowed by the Internal Revenue Service. The Agency will match 100% of the first three percent (3%) of an employee's deferral. In addition, the Agency has a discretionary five percent (5%) contribution for all employees. The Agency contributed \$7,462 and \$7,886 for the years ended June 30, 2017 and 2016, respectively. The Agency did not make any discretionary contributions for the years ended June 30, 2017 and 2016, respectively.

**Note 9 – Accrued Absences**

Employees of the Agency are permitted to accrue sick and vacation time earned during the fiscal year. Agency policy mandates that a maximum of 40 sick days may be carried over to future fiscal years indefinitely. However, upon termination of employment, time earned will not be paid out via wages, as they are deemed lost. In addition, the Agency's policy does not allow for vesting of sick time. Hence, no liability has been established for accrued sick time.

Vacation time is earned based on length of service with the Agency. The Agency's policy is to allow five (5) carryover days of vacation time earned to the subsequent fiscal year. Employees will be paid for the amount of vacation time earned but not taken upon termination of employment. A total of \$10,700 and \$11,406 of accrued compensated absences has been recorded for the fiscal years ended June 30, 2017 and 2016, respectively.

**Note 10 – Temporarily Restricted Assets**

Temporarily restricted assets consist of contributions received in the current year that relate to future campaigns. The campaign runs from September to January. The balance also consists of grants awarded to the Agency for specific purposes. As of June 30, 2017 and 2016, the balance of temporarily restricted assets include the following:

	2017	2016
Pascal Sykes 2014-2015	\$ 38,525	\$ 95,341
Pascal Sykes 2015-2016	119,783	119,784
Pascal Sykes 2016-2017	39,872	210,700
Pascal Sykes 2017-2018	<u>210,700</u>	<u>-</u>
 Total	 <u>\$ 408,880</u>	 <u>\$ 425,825</u>



**UNITED WAY OF GLOUCESTER COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 and 2016**

**Note 11 – Board Designated Net Assets**

The Board of Directors has designated the following amounts for future use. Under generally accepted accounting principles, these amounts are included in unrestricted net assets. At June 30, the following amounts have been board designated:

	<u>2017</u>	<u>2016</u>
Agency Emergency Fund	\$ 575	\$ 575
Building and Equipment Reserve	38,725	38,725
Emergency Allocation	<u>19,853</u>	<u>19,853</u>
Total	<u>\$ 59,153</u>	<u>\$ 59,153</u>

**Note 12 – Leases Payable**

In May 2015, the Agency entered into a sixty (60) month operating lease agreement for office equipment. Quarterly payments are \$697. The Agency also entered into a three (3) year lease for a postage machine in July 2016. Monthly payments are \$18 billed on a quarterly basis. Total operating lease payments for the fiscal years ended June 30, 2017 and 2016 were \$4,948 and \$4,948, respectively. Future minimum lease payments are as follows:

June 30, 2018	\$ 4,948
2019	4,948
2020	2,788
2021	-0-
2022	<u>-0-</u>
Total	<u>\$ 12,684</u>

**Note 13 – Transactions with Affiliates**

The Agency remits dues to United Way Worldwide for the use of the nationally recognized United Way brand and various support activities to achieve its mission. Dues expense incurred was \$25,184 and \$17,331 for the fiscal years ended June 30, 2017 and 2016, respectively.

The Agency was reimbursed for expenses incurred during the year ended June 30, 2017 and 2016 in the amounts of \$1,805 and \$2,185, respectively. These amounts have been reported as receivables on the statement of financial position. Both amounts were received in the subsequent year.

**Note 14 – Subsequent Events**

Management has evaluated subsequent events through September 15, 2017, the date that the financial statements were available to be issued. Management has determined there are no subsequent events that would need additional disclosure in accordance with accounting principles generally accepted in the United States of America.

**SUPPLEMENTAL INFORMATION**

**UNITED WAY OF GLOUCESTER COUNTY  
SCHEDULE OF INVESTMENTS  
JUNE 30,**

<u>DESCRIPTION</u>	<u>Maturity Date</u>	<b>2017</b>	<b>2016</b>
		<u>Cost</u>	<u>Cost</u>
Access National Bank CD 1%	6/17/2017	\$ -	\$ 75,000
Ally Bank CD 1.25%	8/7/2017	75,000	75,000
Bank of North Carolina CD 1%	11/30/2017	75,000	75,000
Comenity Capital CD 1.20%	9/14/2017	100,000	100,000
Compass Bank CD .95%	2/7/2017	-	75,000
Discover Bank CD 1.20%	8/7/2017	75,000	75,000
Goldman Sachs Bank .85%	9/25/2017	65,000	65,000
Goldman Sachs Bank 1.15%	9/25/2017	85,000	85,000
Medallion Bank CD .60%	7/29/2016	-	100,000
Merrick Bank CD 1.05%	7/31/2017	75,000	75,000
Safra National Bank CD .65%	7/29/2017	-	100,000
Whitney Bank CD 1.20%	8/14/2017	75,000	75,000
Bank of India, NY CD 1.1%	1/24/2018	15,000	-
Providence Bank CD .8%	12/1/2017	175,000	-
		<hr/>	<hr/>
Total Investments		815,000	975,000
Accrued Income		1,689	2,499
		<hr/>	<hr/>
		<u>\$ 816,689</u>	<u>\$ 977,499</u>

The accompanying notes are an integral part of these financial statements

**UNITED WAY OF GLOUCESTER COUNTY, INC.**  
**SCHEDULE OF BUDGET TO ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Salaries and Wages	\$ 321,732	\$ 310,168	\$ 11,564
Employee Benefits	47,513	42,029	5,484
Payroll Service	2,175	2,478	(303)
Payroll Taxes	<u>27,530</u>	<u>25,575</u>	<u>1,955</u>
Total Salaries and Related Expenses	398,950	380,250	18,700
Professional Fees	10,000	9,000	1,000
Supplies	6,500	4,835	1,665
Board and Operating Committee	1,000	792	208
Campaign Expenses	15,000	11,984	3,016
Telephone	6,300	7,351	(1,051)
Postage and Shipping	4,500	2,275	2,225
Equipment Purchases	9,000	-	9,000
Maintenance - Buildings and Equipment	11,700	15,771	(4,071)
Conferences, Conventions and Meetings	1,000	-	1,000
Occupancy	11,250	8,734	2,516
Printing	9,000	-	9,000
Travel and Transportation	4,000	3,891	109
Dues and Subscriptions	1,450	642	808
Insurance	10,000	11,629	(1,629)
Other Expenses	4,000	3,432	568
Annual Dinner and Awards	6,500	7,752	(1,252)
Women's Leadership Council	-	1,123	(1,123)
5K Run Expenses	2,500	1,585	915
Marketing and Promotions	7,500	4,974	2,526
Special Grants	435,900	394,562	41,338
Staff Training	1,000	694	306
Community Outreach	7,500	-	7,500
Depreciation	<u>18,511</u>	<u>15,448</u>	<u>3,063</u>
Total Expenses before United Way Worldwide Dues	983,061	886,724	96,337
United Way Worldwide Dues	<u>16,600</u>	<u>25,434</u>	<u>(8,834)</u>
Total	<u>\$ 999,661</u>	<u>\$ 912,158</u>	<u>\$ 87,503</u>

The accompanying notes are an integral part of the financial statements