

UNITED WAY OF ULSTER COUNTY, INC.

ANNUAL FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way of Ulster County, Inc.
Kingston, NY 12401

We have audited the accompanying statements of financial position of the United Way of Ulster County, Inc. (a non-profit organization) as of June 30, 2013 and June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of Ulster County, Inc. as of June 30, 2013 and June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

MERCK CPAs & CONSULTANTS

Merck CPAs & Consultants

Kingston, New York

October 3, 2013

**UNITED WAY OF ULSTER COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012**

ASSETS	<u>6/30/2013</u>	<u>6/30/2012</u>
Current Assets:		
Cash in bank	\$ 109,883	\$ 159,781
Contributions receivable	273,901	286,773
Grants & contracts receivable	2,337	998
Investments	510	681
	<hr/>	<hr/>
Total Current Assets	386,631	448,233
	<hr/>	<hr/>
Fixed Assets:		
Land	25,000	25,000
Building, equipment, leasehold improvements, furniture & fixtures	229,994	229,994
Less: accumulated depreciation	(223,941)	(223,062)
	<hr/>	<hr/>
Total Fixed Assets	31,053	31,932
	<hr/>	<hr/>
TOTAL ASSETS	\$ 417,684	\$ 480,165
	<hr/> <hr/>	<hr/> <hr/>
 LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 6,675	\$ 6,475
Other payables	4,003	3,401
Accrued expenses	39,573	35,984
SEFA/CFC payable	5,216	1,624
Donor designations payable	12,517	15,056
Annual campaign support designated for future periods	184,732	197,153
	<hr/>	<hr/>
Total Current Liabilities	252,716	259,693
	<hr/>	<hr/>
TOTAL LIABILITIES	252,716	259,693
	<hr/>	<hr/>
Net assets:		
Unrestricted net assets	144,165	175,581
Temporarily restricted net assets	20,803	44,891
	<hr/>	<hr/>
TOTAL NET ASSETS	164,968	220,472
	<hr/>	<hr/>
TOTAL LIABILITIES & NET ASSETS	\$ 417,684	\$ 480,165
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**UNITED WAY OF ULSTER COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

REVENUES & OTHER SUPPORT	YEAR ENDED 6/30/2013	YEAR ENDED 6/30/2012
Support		
Campaign contributions, net	\$ 702,812	\$ 681,954
Hope's fund income	31,984	58,864
Total Support	<u>734,796</u>	<u>740,818</u>
Revenue		
OET income	187,458	149,800
Event income	40,857	34,051
211 Database Mgr Income	37,500	30,000
Bruderhof grant income	30,000	-
Campaign support for future period	13,918	8,377
Hope's fund administrative income	6,000	8,500
SEFA income	5,206	4,070
Cash coalition income	4,550	3,636
Donor designated administrative income	4,381	5,191
Bruderhof grant administrative income	2,000	-
Disaster recovery fund	805	63,154
Prior campaign income	551	848
Investment / miscellaneous income	210	4,805
Unrealized gain/(loss)	31	70
Campaign radio ad income	-	3,000
Total Revenues	<u>333,467</u>	<u>315,502</u>
 TOTAL SUPPORT AND REVENUE	 <u>1,068,263</u>	 <u>1,056,320</u>

**UNITED WAY OF ULSTER COUNTY, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

EXPENSES	YEAR ENDED 6/30/2013	YEAR ENDED 6/30/2012
Allocations to agencies	452,293	457,211
Salaries	190,204	192,484
Office of employment and training	177,483	147,539
Hope's fund expense	56,072	68,460
Employee benefits	45,804	43,897
211 database mgr expense	33,300	26,640
Bruderhof grant expense	29,469	-
Uncollectable pledges	24,878	25,532
Disaster recovery fund	24,863	36,603
Event expenses	16,633	13,693
Payroll taxes	14,161	14,832
Membership dues	8,881	9,316
Professional fees	7,975	8,319
Cash coalition expense	5,340	1,311
Printing & publications	5,127	5,285
Insurance	5,054	4,726
Utilities	4,211	3,907
Rental and maintenance of equipment	3,560	3,856
Building maintenance	2,598	2,298
Janitorial	2,340	2,385
Telephone	1,983	1,825
Miscellaneous	1,756	924
Supplies	1,741	2,165
Conferences,conventions and meetings	1,572	1,124
Travel	1,402	1,323
Postage & shipping	1,310	2,022
Payroll service	863	1,099
Service charges	805	795
Technology expenses	780	780
Advertising	385	535
FEMA expenses	45	51
Campaign radio ad expense	-	3,000
	<u>1,122,888</u>	<u>1,083,937</u>
Total Expenses		
Change in unrestricted net assets		
Increase (decrease) in net assets	(54,625)	(27,617)
Net Assets at Beginning of Year	220,472	248,968
Change in unrestricted net assets - fixed assets		
Increase (decrease) in net assets - fixed assets	(879)	(879)
NET ASSETS AT END OF YEAR	<u>\$ 164,968</u>	<u>\$ 220,472</u>

**UNITED WAY OF ULSTER COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>YEAR ENDED 6/30/2013</u>	<u>YEAR ENDED 6/30/2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (55,504)	\$ (28,496)
(Increase) decrease in:		
Depreciation	879	879
Investments	171	(31)
Grants & contracts receivable	(1,339)	2,046
Contributions receivable	12,872	10,804
Increase (decrease) in:		
Accounts payable	200	200
Other payables	602	(2,931)
Accrued expenses	3,589	7,437
Donor designations and SEFA/CFC payable	1,053	(1,295)
Annual campaign support designated for future periods	<u>(12,421)</u>	<u>(9,186)</u>
Net increase (decrease) in cash from operating activities	<u>(49,898)</u>	<u>(20,573)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment purchases	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
None	-	-
Net increase (decrease) in cash and cash equivalents	(49,898)	(20,573)
Cash and cash equivalents at beginning of year	<u>159,781</u>	<u>180,354</u>
Cash and cash equivalents at end of year	<u><u>\$ 109,883</u></u>	<u><u>\$ 159,781</u></u>

**UNITED WAY OF ULSTER COUNTY, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

EXPENSES

	YEAR ENDED 6/30/2013	YEAR ENDED 6/30/2012
Program Services	<u> </u>	<u> </u>
Allocations	\$ 27,375	\$ 8,285
Community building/ Information & referral	<u> 80,566</u>	<u> 77,684</u>
Total Program Services	<u> 107,941</u>	<u> 85,969</u>
Supporting Services		
Organizational administration	59,018	59,388
Campaign/Fundraising	<u> 152,231</u>	<u> 172,284</u>
Total Support Services	<u> 211,249</u>	<u> 231,672</u>
TOTAL EXPENSES	<u><u> \$ 319,190</u></u>	<u><u> \$ 317,641</u></u>

**UNITED WAY OF ULSTER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The United Way of Ulster County is a non-profit organization located in Kingston, NY. The United Way of Ulster County is organized to receive contributions from various groups in the community and redistribute them to both member and non-member organizations.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible to cash within ninety (90) days of purchase.

Support and Revenue

The United Way of Ulster County receives its other revenue by running special events as well as acting as a payroll processor for the local Office of Employment & Training. Additional revenues are earned through earnings on deposits.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net assets classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor imposed restrictions that are satisfied within the same operating cycle are recorded as unrestricted pursuant to SFAS No. 116.

Taxes

The company is exempt from taxes pursuant to Section 501c (3) of the Internal Revenue Code.

**UNITED WAY OF ULSTER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2013 AND 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

During the 1995 fiscal year, the United Way adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the United Way is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions. As permitted by this new standard, the United Way has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present classes of net assets. The classification had no cumulative effect on the change in net assets for the year ended June 30, 1996.

The United Way also adopted SFAS No. 116, "Accounting for contributions Received and Contributions Made" in fiscal 1995. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The adoption had no cumulative effect on net assets at the date of the adoption. The United Way has received contributions with donor-imposed restrictions that would result in temporarily restricted net assets.

Fixed Assets

Land is stated at cost. Building is stated at cost less accumulated depreciation calculated on a straight-line basis over an estimated useful life of twenty-five years. Parking lot is stated at cost less accumulated depreciation calculated on a straight-line basis over an estimated useful life of ten years.

Furniture, fixtures and equipment are included in financial statements at an estimated replacement cost established in 1975 with subsequent additions at cost less accumulated depreciation. Furniture and equipment are being depreciated on a straight-line basis over their estimated useful life.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**UNITED WAY OF ULSTER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2013 AND 2012**

NOTE 2 – CONTRIBUTIONS RECEIVABLE

The details of contributions receivable at June 30, 2013 and 2012:

	<u>6/30/2013</u>	<u>6/30/2012</u>
Local Campaign – Local	\$ 203,608	\$ 209,612
Tristate Receivable	5,227	12,440
IBM Receivable	43,731	49,198
CSA Receivable	<u>21,335</u>	<u>15,523</u>
Contributions receivable in less than one year	\$ <u>273,901</u>	\$ <u>286,773</u>

None of the above contributions are considered to be receivable in greater than one year.

NOTE 3 – GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consists of the portions of the OET contract that is due to the United Way. The amounts of the grants and contracts receivable at June 30, 2013 and 2012 were \$2,337 and \$998 respectively.

NOTE 4 – LAND, BUILDING AND EQUIPMENT

Land, Building and equipment at June 30, 2013 and 2012:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2013 Net Book Value</u>	<u>2012 Net Book Value</u>
Land	\$ 25,000	\$ N/A	\$ 25,000	\$ 25,000
Building and parking lot	124,690	124,690	-0-	-0-
Furniture, fixtures & equipment	<u>105,304</u>	<u>99,251</u>	<u>6,053</u>	<u>6,932</u>
	<u>\$ 254,994</u>	<u>\$223,941</u>	<u>\$ 31,053</u>	<u>\$ 31,932</u>

**UNITED WAY OF ULSTER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2013 AND 2012**

NOTE 5 – SUMMARY OF ALLOCATIONS TO AGENCIES

The following indicates the amounts distributed to participating agencies on a cash basis from July 1, 2012 through June 30, 2013.

<u>UNRESTRICTED</u>	<u>2013 PAYMENTS</u>	<u>2012 PAYMENTS</u>
Member Agencies:		
Always There	\$ 22,371	\$ 22,371
American Red Cross	16,117	16,117
Big Brothers/Big Sisters	-0-	7,001
Boy's and Girl's Club	47,368	47,368
CASA	5,000	3,334
Catholic Charities	3,000	3,000
Center for Creative Education	8,604	8,604
Cerebral Palsy of Ulster County	4,493	4,493
Children's Home of Kingston	10,426	10,426
Family of Woodstock	115,035	115,035
Family Services	7,648	7,648
Gateway Industries	39,754	39,754
Institute for Family Health	-0-	2,083
Jewish Family Services	8,033	8,033
Mental Health Association	24,272	24,272
RCAL	14,543	14,543
RUPCO	11,608	9,108
Ulster Greene ARC	28,700	28,700
Ulster Literacy Association	21,323	21,323
Workers' Rights Law Center	4,780	4,780
YMCA	23,929	23,929
YWCA	<u>35,289</u>	<u>35,289</u>
Grand Totals	<u>\$ 452,293</u>	<u>\$ 457,211</u>

UNITED WAY OF ULSTER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2013 AND 2012

NOTE 6 – EMPLOYEE BENEFITS

Included in employee benefits is a retirement program which is a defined contribution pension plan. All regular active employees participate in this non-contributory retirement program when they reach the age of twenty one and have completed one year of full service. Employees are completely vested from the first day of participation in the plan. The contributions recognized for the retirement plan for the years ended June 30, 2013 and 2012 was \$ 9,510 and \$ 9,624 respectively.

NOTE 7 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The United Way's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and contributions receivable. The United Way estimates that the fair value of all financial instruments at June 30, 2013 and 2012 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies. The carrying amounts of cash and cash equivalents and contributions receivable reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

NOTE 8 – CONCENTRATIONS OF CREDIT RISK

The United Way maintains several bank accounts. All accounts are maintained at institutions that are Federal Deposit Insurance Corporation (FDIC) insured up to the \$250,000 limit. None of the above accounts exceeded the FDIC limit at June 30, 2013 and 2012.

NOTE 9 – CHANGE IN ACCOUNTING ESTIMATE

For the year ended June 30, 2005 and for the subsequent years the management of the United Way of Ulster County has changed the formula for which they estimate annual campaign support for the future. Management believes that the new estimate is a more accurate reflection of the obligation due to organizations. This method results in a liability being accrued for three months of the budgeted operating expenses of the next fiscal period, which will be required for the organization to operate. This adjustment allows for the proper matching and recording of operating expenses, which will be incurred and paid from the contributions receivable at the report date. Therefore an accrual of three months of operating expenses of the agency in the amount of \$76,057 was made to the various expense accounts.

NOTE 10 – RECLASSIFICATION OF AMOUNTS

Some accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

**UNITED WAY OF ULSTER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)
JUNE 30, 2013 AND 2012**

NOTE 11 – DONOR DESIGNATED ACCOUNTING

In June 1999 the Financial Accounting Standards Board (FASB) released Statement of Financial Accounting Standards No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others (SFAS 136)*. This Standard applies to the audited financial statements of United Ways and other federated fund-raising agencies. The details of Donor Designations for the years ended June 30, 2013 and 2012 are as follows:

	<u>YEAR ENDED JUNE 30, 2013</u>	<u>YEAR ENDED JUNE 30, 2012</u>
Campaign results (net)	\$ 764,333	\$ 776,656
Less: Amounts designated by donors for specific organizations (net of shrinkage and administrative fees)	<u>(29,537)</u>	<u>(35,838)</u>
Total contributions	734,796	740,818
Other revenue	329,086	310,311
Administrative fees retained on amounts designated by donors for specific organizations	<u>4,381</u>	<u>5,191</u>
Total support and revenue (page 3)	<u>\$ 1,068,263</u>	<u>\$ 1,056,320</u>
Administrative fees retained (page 3)	12,381	13,691
Total contributions (page 3)	<u>\$ 734,796</u>	<u>\$ 740,818</u>