

Financial Statements

UNITED WAY OF ULSTER COUNTY, INC.

Years Ended June 30, 2018 and 2017

UNITED WAY OF ULSTER COUNTY, INC.

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MEMBERS:

* American Institute of
Certified Public Accountants
* New York State Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Ulster County, Inc.

We have audited the accompanying financial statements of United Way of Ulster County, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statement of activities and cash flows for the years then ended, and the related notes to the financial 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 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 from material misstatement.

An audit involves performing procedures to obtain audit 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Ulster County, Inc. as of June 30, 2018 and 2017, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gardner & Company, CPA's PLLC

November 13, 2018

UNITED WAY OF ULSTER COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 77,429	\$ 242,203
Pledge Receivables (Net of Allowance for Uncollectable Pledges of \$38,475 and \$28,433 at June 30, 2018 and 2017, respectively)	182,248	172,942
Grants and Contracts Receivables	111,221	14,467
Prepaid Expenses	<u>786</u>	<u>1,984</u>
Total Current Assets	<u>371,684</u>	<u>431,596</u>
Property and Equipment		
Land	25,000	25,000
Building and Leasehold Improvements	134,189	130,515
Furniture and Equipment	<u>100,580</u>	<u>100,580</u>
Total	<u>259,769</u>	<u>256,095</u>
Less: Accumulated Depreciation	<u>(226,805)</u>	<u>(226,399)</u>
Net Property and Equipment	<u>32,964</u>	<u>29,696</u>
TOTAL ASSETS	<u>\$ 404,648</u>	<u>\$ 461,292</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 56,801	\$ 2,779
SEFA/CFC Payable	-	5,510
Donor Designations Payable	-	26,406
Accrued Salaries and Wages	51,774	19,807
Accrued Expenses	<u>15,902</u>	<u>11,969</u>
Total Current Liabilities	<u>124,477</u>	<u>66,471</u>
Total Liabilities	<u>124,477</u>	<u>66,471</u>
Net Assets		
Temporarily Restricted	20,650	62,115
Unrestricted	<u>259,521</u>	<u>332,706</u>
Total Net Assets	<u>280,171</u>	<u>394,821</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 404,648</u>	<u>\$ 461,292</u>

See Independent Auditor's Report and Notes to Financial Statements.

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

CHANGE IN UNRESTRICTED NET ASSETS	2018	2017
Contributions		
Campaign	\$ 560,813	\$ 567,796
Raising Hope Fund Income	35,799	41,828
SEFA	9,906	4,362
Future of Saugerties	14,633	117,250
Grant Income	108,600	54,350
Miscellaneous Contributions	28,235	25,625
Total Contributions	757,986	811,211
Revenue		
Special Events Income	37,874	49,292
211 Database Mgr Income	37,500	30,000
Administrative Income	12,426	14,913
OET Income, Net of Expenses	32,309	20,882
Interest Income	-	5
Total Revenue	120,109	115,092
Total Contributions and Revenue	878,095	926,303
Net Assets (Increased) Released from Temporarily Restricted Net Assets	41,465	-
Increase in Unrestricted Contributions and Revenue	919,560	926,303
Expenses		
Allocations to Member Agencies	343,232	377,684
Grant Expenditures	290,074	207,583
Salaries	188,419	189,873
Uncollectable Pledges	10,032	64,088
Employee Benefits	37,932	34,156
211 Database Mgr Expense	33,300	26,640
Payroll Taxes	14,793	14,674
Professional Fees	11,274	11,475
Rental and Maintenance of Equipment	9,278	10,947
Membership Dues	7,591	9,965
Event Expenses	7,324	9,107
Insurance	6,123	5,841
Miscellaneous	5,334	5,609
Printing and Publications	3,302	5,252
Advertising	8,528	4,331
Utilities	4,387	3,933
Supplies	3,285	3,086
Cash Coalition Expense	1,520	1,919
Meetings and Conferences	1,188	1,776
Telephone	1,936	1,724
Travel	1,086	1,204
Postage and Shipping	1,882	698
Depreciation	407	366
Service Charges	518	334
Total Expenses	992,745	992,265
Change in Unrestricted Net Assets	(73,185)	(65,962)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Net Assets Increased (Released) from Temporarily Restricted Assets	(41,465)	-
Change in Temporarily Restricted Net Assets	(41,465)	-
CHANGE IN NET ASSETS	(114,650)	(65,962)
Net Assets, Beginning of Year	394,821	460,783
Net Assets, End of the Year	\$ 280,171	\$ 394,821

See Independent Auditor's Report and Notes to Financial Statements.

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

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES:		
Change in Net Assets	\$ (114,650)	\$ (65,962)
Adjustments to Reconcile Change in Net Assets to Net Cash and Cash Equivalents Provided By Operating Activities:		
Depreciation	407	366
Uncollectable Pledges	10,032	64,088
Change in Operating Activities		
Pledge Receivables	(19,338)	(4,353)
Grant and Contracts Receivables	(96,755)	(3,664)
Investments	-	1,214
Prepaid Expenses	1,198	(1,984)
Accounts Payable	54,022	(4,580)
Accrued Expenses	3,933	9,235
SEFA/CFC Payable	(5,510)	546
Donor Designations Payable	(26,406)	(6,270)
Accrued Salaries and Wages	31,967	3,632
Change in Operating Activities	<u>(161,100)</u>	<u>(7,732)</u>
INVESTING ACTIVITIES:		
Purchase of Leasehold Improvements	<u>(3,674)</u>	<u>-</u>
Change in Investing Activities	<u>(3,674)</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(164,774)	(7,732)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>242,203</u>	<u>249,935</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 77,429</u>	<u>\$ 242,203</u>

See Independent Auditor's Report and Notes to Financial Statements.

**UNITED WAY OF ULSTER COUNTY, INC.
(SEE INDEPENDENT AUDITOR'S REPORT)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

United Way of Ulster County, Inc. (the Organization), is a non-profit human services organization established to collectively campaign for funds to distribute to participating non-profit member agencies and to coordinate a variety of programs, initiatives and events. The Organization is one of 1,300 independent and autonomous chapters of United Way Worldwide. The Organization conducts activities in Ulster County of New York State.

The purposes for which this organization is formed are to seek solutions to community problems by performing regular community assessments to determine needs and/or gaps in services; developing new and/or expanding or modifying existing human service programs in order to more effectively address the identified needs or gaps; facilitating collaborative community partnerships that address the specific needs and/or gaps in services; evaluating programs to assure positive outcomes in the target areas; and developing the financial resources, both public and private, needed to meet the human service needs of the community.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of United Way of Ulster County, Inc. (The Organization) is presented to assist in the understanding of the financial statements. The financial statements and notes are representations of the management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The Organization's financial statements are prepared using the accrual basis of accounting. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Revenue Recognition

The Organization's revenue is primarily derived from contributions pledged during annual campaigns. Contributions including promises to give received in the current year for the current year annual fundraising campaign are recorded as unrestricted public support. Contributions including promises to give received in the current year for the subsequent year annual fundraising campaign are recorded as temporarily restricted public support.

**UNITED WAY OF ULSTER COUNTY, INC.
(SEE INDEPENDENT AUDITOR'S REPORT)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

In-kind contributions are reflected as contributions at their fair value at the date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, then a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Donor imposed restrictions that are satisfied within the same operating cycle are recorded as unrestricted.

Property and Equipment

Land, building, furniture, and equipment additions are stated at cost when purchased and fair market value when donated. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expenses as incurred. The Organization capitalizes purchases with a minimum cost of \$1,000 and a useful life of more than one year. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in income. Depreciation is computed using both straight-line and accelerated methods for financial reporting purposes over estimated useful lives of five to forty years.

The Organization assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable. This is accomplished by comparing the expected undiscounted future cash flows of the long-lived assets with the respective carrying amount as of the date of assessment. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, the long-lived assets are considered not to be impaired. If the expected undiscounted future cash flows are less than the carrying value, an impairment loss is recognized and measured as the difference between the carrying value and the fair value of the long-lived assets. No impairment of long-lived assets was recognized in 2018.

Functional Allocation of Expenses

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

**UNITED WAY OF ULSTER COUNTY, INC.
(SEE INDEPENDENT AUDITOR’S REPORT)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation to Member Agencies

Unconditional promises to give cash are recognized as designated donations (liabilities) and distributions to agencies at the time the Board of Directors authorizes them.

Advertising Expenses

The Organization expenses advertising costs as they are incurred. Advertising expense for the years ended June 30, 2018 and 2017 was \$8,528 and \$4,331, respectively.

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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is exempt from federal and New York State income taxes under Section 501(c) (3) of the Internal Revenue Code and comparable New York State law. Contributions to the Organization are tax deductible within the limitations prescribed by the Code. United Way of Ulster County, Inc. has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Organization’s Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they are filed.

The Organization follows the *Accounting for Uncertainty in Income Taxes, Topic, FASB, ASC. Accounting for Uncertainty in Income Taxes, Topic, FASB, ASC*, prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. The Organization believes that they have appropriate support for the income tax positions taken and to be taken on returns based on an assessment of many factors including experience and interpretations of tax laws applied to the fact of each matter. The Organization has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits.

2. PROPERTY AND EQUIPMENT

A summary of the Organization’s property and equipment at June 30, 2018 and 2017, is as follows:

	2018	2017
Land	\$ 25,000	\$ 25,000
Buildings and Leasehold Improvements	134,189	130,515
Furniture and Equipment	100,580	100,580
Total	<u>259,769</u>	<u>256,095</u>
Less: Accumulated Depreciation	(226,805)	(226,399)
Property and Equipment, Net	<u>\$ 32,964</u>	<u>\$ 29,696</u>

Depreciation expense for the year ended June 30, 2018 and 2017 was \$407 and \$366, respectively.

**UNITED WAY OF ULSTER COUNTY, INC.
(SEE INDEPENDENT AUDITOR'S REPORT)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

3. PLEDGES RECEIVABLE

Promises to give are recorded net of an allowance for expected uncollectable amounts. This allowance is established based upon management's estimates. Pledges receivable at June 30, 2018 and 2017 are as follows:

	2018	2017
Local Campaign	\$ 220,723	\$ 201,385
Allowance for Doubtful Pledges	(38,475)	(28,443)
Net Pledges Receivable	<u>\$ 182,248</u>	<u>\$ 172,942</u>

The Organization provides an allowance for uncollectable pledges based upon collection history and a review of open accounts by management. Open accounts are written off after all collection efforts have been exhausted and the pledge is determined to be uncollectable. Although management has reviewed the collection history while projecting the allowance, it is reasonably possible that actual uncollectable pledges may differ from the estimated allowance.

4. CONTRACTS RECEIVABLE

Contracts receivable consists of the portion of the Ulster County Office of Employment and Training contract that is due to the Organization. The amounts of the contracts receivable at June 30, 2018 and 2017 were \$111,221 and \$14,467 respectively.

5. IN-KIND CONTRIBUTIONS

A substantial number of volunteers have contributed significant amounts of time to the Organization's fund-raising campaigns and program services. These services do not meet the criteria for recognition under generally accepted accounting principles; accordingly the value of volunteer time has not been reflected in the financial statements.

6. DEFINED CONTRIBUTION PLAN

The Organization adopted a defined contribution 403(b) 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 100% vested from the first day of participation in the plan. The contributions recognized for the retirement plan for the years ended June 30, 2018 and 2017 was \$10,249 and \$11,295 respectively.

7. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in several financial institutions. The accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2018 and 2017 the Organization had no uninsured cash balances, respectively.

UNITED WAY OF ULSTER COUNTY, INC.
(SEE INDEPENDENT AUDITOR'S REPORT)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

8. SUMMARY OF ALLOCATIONS TO MEMBER AGENCIES

The following indicates the amounts distributed to participating agencies for the years ended June 30,:

	2018	2017
Always There	\$ 17,177	\$ 19,086
Boy's and Girl's Club	37,019	41,133
Court Appointed Special Advocates of Ulster County	-	5,000
Center for Creative Education	6,815	7,572
Children's Home of Kingston	-	9,175
Cornell Cooperative Extension of Ulster	5,000	5,000
Dispute Resolution Center of Ulster County	5,000	-
Family of Woodstock	95,608	106,231
Family Services	7,920	8,800
Gateway Industries	24,575	27,306
Jewish Family Services	6,362	7,069
Legal Services of the Hudson Valley	5,000	-
Mental Health Association	12,922	19,773
Resource Center for Accessible Living	11,518	-
Rural Ulster Preservation Company	8,078	8,976
Ulster County Community Action	5,000	5,200
Ulster Greene ARC	22,730	25,256
Ulster Literacy Association	15,000	18,764
Worker Justice Center of NY	5,000	5,000
YMCA	21,321	23,689
YWCA	31,187	34,654
Total	\$ <u>343,232</u>	\$ <u>377,684</u>

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and pledges receivable. The Organization estimates that the fair value of all financial instruments at June 30, 2018 do 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 pledges receivable reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

10. OPERATING LEASES

During 2016, the Organization entered into a non-cancellable operating lease for equipment expiring in January 2022. Total rent expense for this lease for the years ended June 30, 2018 and 2017 was \$2,586 and \$1,724, respectively. The following is a schedule of future minimum rental payments under the lease for the year ending June 30,:

2019	\$2,586
2020	2,586
2021	2,586
2022	1,508

**UNITED WAY OF ULSTER COUNTY, INC.
(SEE INDEPENDENT AUDITOR'S REPORT)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

11. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following at June 30,:

	<u>2018</u>	<u>2017</u>
Raising HOPE	\$ 20,650	\$ 39,502
Future of Saugerties	-	22,613
Total	<u>\$ 20,650</u>	<u>\$ 62,115</u>

12. FUNCTIONAL EXPENSES

The Organization has functional expenses as follows for the years ending June 30,:

	<u>2018</u>	<u>2017</u>
Program Services	\$ 751,997	\$ 761,306
Administrative	65,839	55,596
Fundraising	174,909	175,363
Total	<u>\$ 992,745</u>	<u>\$ 992,265</u>

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events or transactions as to potential material impact on operations or financial position occurring through November 13, 2018, the date the financial statements were available to be issued. No such events or transactions were identified.