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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the United Way of Cecil County, Inc.
Elkton, Maryland 21921

We have audited the accompanying financial statements of the United Way of Cecil County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility of 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 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 the United Way of Cecil County, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of overhead on page 8 is presented for purposes 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 additional 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.

Thomas C. Jones, CPA

Thomas C. Jones, CPA
Elkton, Maryland
November 23, 2015

United Way of Cecil County, Inc.
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash	\$ 141,223	\$ 167,782
Property & Equipment	9,634	28,510
Less Accumulated Depreciation	<u>(5,766)</u>	<u>(24,364)</u>
Total Net Property & Equipment	3,868	4,146
Pledges Receivable--Undesignated	125,300	120,310
Allowance for Uncollectible Pledges	<u>(6,265)</u>	<u>(6,181)</u>
Total Net Pledges Receivable	<u>119,035</u>	<u>114,129</u>
TOTAL ASSETS	<u>\$ 264,126</u>	<u>\$ 286,057</u>
LIABILITIES		
Current Liabilities		
Accrued Vacation Payable	\$ -	\$ -
Payroll Liabilities	1,559	2,789
Unpaid Allocations to Member Agencies	75,500	68,700
Unpaid Designations-Combined Federated	5,610	7,363
Unpaid Donor Designations	<u>5,008</u>	<u>3,982</u>
Total Current Liabilities	87,677	82,834
Net Assets		
Unrestricted	165,831	191,878
Temporarily Restricted	<u>10,618</u>	<u>11,345</u>
Total Net Assets	176,449	203,223
TOTAL LIABILITIES & EQUITY	<u>\$ 264,126</u>	<u>\$ 286,057</u>

See accompanying notes and
accountant's audit report

United Way of Cecil County, Inc.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
UNRESTRICTED NET ASSETS		
Campaign Income	\$ 230,584	\$ 335,475
Administrative Fees	1,044	1,262
Investment Income	<u>103</u>	<u>190</u>
TOTAL UNRESTRICTED NET ASSETS	\$ 231,731	\$ 336,927
 EXPENSES		
Program Services	\$ 205,512	\$ 205,438
Fundraising Expenses	26,973	25,029
Support Services	<u>25,293</u>	<u>27,507</u>
Total Expenses	<u>\$ 257,778</u>	<u>\$ 257,974</u>
Increase/Decrease in Unrestricted Net Assets	(26,047)	78,953
 CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Net Assets Released from Donor Restrictions	(11,345)	-
Donor Advised	<u>10,618</u>	<u>11,345</u>
TOTAL INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>(727)</u>	<u>11,345</u>
 INCREASE (DECREASE) IN NET ASSETS	(26,774)	90,298
PRIOR PERIOD ADJUSTMENT	-	-
 Net Assets as of 7/1	\$ 203,223	\$ 112,925
Net Assets as of 6/30	\$ 176,449	\$ 203,223

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accountant's audit report

United Way of Cecil County, Inc.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	Program Services	Support Services	Fundraising Expense	2015 Total	2014
Compensation & Related Expenses:					
Wages	\$ 18,932	\$ 6,465	\$ 20,779	\$ 46,176	\$ 41,329
Employee Benefits	879	300	965	2,144	870
Payroll Taxes	1,411	482	1,548	3,441	3,920
	<u>21,222</u>	<u>7,247</u>	<u>23,292</u>	<u>51,761</u>	<u>46,119</u>
Allocations	151,000	-	-	151,000	146,396
Combined Federated Contributions	8,178	-	-	8,178	8,486
Donor Designations	10,959	-	-	10,959	9,066
Bad Debt	1,746	-	-	1,746	15,581
Bank Service Charges	-	512	-	512	645
Community Impact	8,000	-	-	8,000	7,000
Campaign Expense	-	-	3,063	3,063	3,682
Depreciation	-	278	-	278	311
Dues and Subscriptions	4,407	2,058	-	6,465	5,871
Liability Insurance	-	1,440	-	1,440	1,090
Meeting Expense	-	171	-	171	296
Maintenance and Repair	-	-	-	-	635
Office Expense	-	1,674	-	1,674	1,108
Postage & Delivery	-	314	-	314	372
Professional Fees	-	3,000	-	3,000	3,000
Rent	-	6,700	-	6,700	5,581
Telephone	-	1,899	-	1,899	1,799
Travel Expenses	-	-	618	618	593
Worker's Compensation	-	-	-	-	343
TOTAL FUNCTIONAL EXPENSES	<u>\$ 205,512</u>	<u>\$ 25,293</u>	<u>\$ 26,973</u>	<u>\$ 257,778</u>	<u>\$ 257,974</u>

See accompanying notes and
accountant's audit report

United Way of Cecil County, Inc.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

<u>Statement of Cash Flows</u>	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Campaign Pledges	\$ 229,857	\$ 245,035
Administrative Fees	1,044	1,262
Cash Paid to Suppliers and Employees	(257,563)	(244,766)
Interest Received	103	190
Net Cash Provided by Operating Activities	<u>\$ (26,559)</u>	<u>\$ 1,721</u>
Cash Flows from Investing Activities		
Office Equipment	-	-
Net Cash Used by Investing Activities	<u>-</u>	<u>-</u>
Cash Flows from Accumulated Retirement Adjustment	-	-
Net Increase or (Decrease) in Cash	(26,559)	1,721
CASH AS OF 7/1	<u>167,782</u>	<u>166,061</u>
CASH AS OF 6/30	<u>\$ 141,223</u>	<u>\$ 167,782</u>
 <u>Statement of Cash Flows</u>	 <u>2015</u>	 <u>2014</u>
Reconciliation of Changes in Net Assets to Net Cash Provided by Operating Activities		
Change in Net Assets	\$ (26,774)	\$ 90,298
Adjustments to Reconcile Changes in Net Assets to Net Cash provided by Operating Activities		
Depreciation and Amortization	278	311
(Increase) or Decrease in		
Increase/ Decrease in Pledges Receivable	(4,990)	(80,426)
Prior Period Adjustment- Accounts Receivable		-
Community Impact Payable	-	-
Decrease in Bad Debt Reserve		
Increase or (Decrease) in		
Accounts Payable - Donor Designations	1,026	2,332
Accounts Payable - Donor Designations-CFC	(1,753)	643
Unpaid Allocations	6,800	(7,772)
Payroll Liabilities	(1,230)	854
Provision for Uncollectible Pledges	84	4,435
Accrued Vacation Pay	-	(4,290)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (26,559)</u>	<u>\$ 1,721</u>

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United Way of Cecil County, Inc.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

NOTE A – NATURE OF ACTIVITIES

The United Way of Cecil County, Inc. was organized as a non-profit organization to benefit and distribute funds to charitable organizations in Cecil County. The United Way of Cecil County conducts an annual campaign fund drive that raises proceeds net of administrative costs and allowances for the benefit of the local community. The organization also receives revenues from individual donors and businesses.

The mission of the United Way of Cecil County (UWCC) is to advance the county's health and human services agenda by expanding resources and applying them effectively to build a better more self-sufficient community. In support of this mission, UWCC seeks to increase the organized capacity of people to care for one another.

The programs that we fund are focused on achieving outcomes in the three specific areas determined to be essential in improving people's lives and strengthening our community: **1)Successful Children and Families** - Our goal is to help children and families to succeed by: a) Offering children a safe place to play and learn after school b)Providing support and education for parents c)Increasing availability to mental health counseling **2)Health and Wellness** - Our goal is to promote health and wellness by: a)Increasing health education and preventive care b)Supporting nutritional and physical activity programs **3)Independent Living** - Our goal is to provide new and increased services to promote independent living through: a)Transportation assistance programs b)Housing assistance for adults in transition c)Life skills training

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the United Way of Cecil County, Inc. and changes therein are classified 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 may or will be met, either by actions of the United Way of Cecil County, Inc. and/or the passage of time. When a 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.

The Organization has also adopted FASB Accounting Standards Codification for amounts designated by donors for specific agencies or other United Ways are not to be treated as contributions and are to be excluded from revenue. Accordingly, the Organization recognizes a liability to the specified beneficiary when it recognizes assets received from the donor. The current year liability of \$5,008 represents amounts unpaid from donor designations after deducting an administrative fee. The United Way participates in the Combined Federal Campaign. The Federation honors designations made to it's members. The combined federated contributions were \$8,178 in 2015.

United Way of Cecil County, Inc.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

Cash Equivalents

Cash equivalents consist of short-term highly liquid investments which are readily convertible into cash within 90 days of purchase.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible pledges. The allowance for uncollectible pledges is based on the Organizations average collections as a percentage of the amounts pledged over the previous four years.

Property and Equipment

Furniture and equipment are carried at cost or if donated at their estimated cost and are depreciated over their estimated useful lives of five to ten years, using straight-line method, and are shown net of accumulated depreciation of \$3,868 at June 30, 2015.

Income Taxes

The United Way of Cecil County, Inc. qualifies as a tax-exempt Organization under Internal Revenue Code Section 501(c)(3) and its activities do not result in any income tax liability. The organization's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash. Currently no amounts exceed FDIC limitations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. A significant estimate includes the allowance for uncollectible pledges as well as pledges receivable.

United Way of Cecil County, Inc.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

NOTE C – PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give which are unrestricted in nature and are due in one year or less. The allowance for pledges receivable for 2015 was:

Allowance for Uncollectible Pledges	\$6,265
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NOTE D- OPERATING LEASE

The organization signed a two year lease with Union Hospital. The lease has an option to renew for an additional two years. The rent is paid in monthly installments of \$600.

NOTE E– SUBSEQUENT EVENTS

Management has evaluated subsequent events as of November 23, 2015, the date the financial statements were available to be issued.

NOTE F – OTHER MATTER: SUPPLEMENTAL INFORMATION

Numerator = Management & General Expense
 "+" Total fundraising expense
 Denominator = Total Campaign & Other Revenue

The Organization has computed the following overhead ratio expressed as a percentage of expenses for

Numerator: Supporting Services	\$	52,266
Less: Administrative Fees		1,044
Investment Return		103
		51,119
Add: Current Year Addition to Retirement Fund		-
Adjusted Supporting Services		51,119
Denominator: Gross Campaign Revenue		230,584
Designations From other United Ways		-
Less: Administrative Fees		-
Adjusted Campaign Amounts Raised		230,584
Numerator/Denominator Expressed as a Percentage		22.17%