

UNITED WAY OF VIRGINIA'S EASTERN SHORE, INC.
June 30, 2017

CONTENTS

	PAGE
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5-6

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Virginia's Eastern Shore, Inc.
Onley, Virginia 23418

We have audited the accompanying statement of financial position of the United Way of Virginia's Eastern Shore, Inc. (a non-profit organization) as of June 30, 2017, and the related statements of activities and cash flows for the year 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 generally accepted auditing standards. 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 that 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 Virginia's Eastern Shore, Inc. as of June 30, 2017 and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Robert W. Young

October 29, 2017

UNITED WAY OF VIRGINIA'S EASTERN SHORE, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2017

ASSETS		<u>2017</u>
CURRENT ASSETS		
Cash	\$	325,853
Pledges receivable, net of allowance for doubtful accounts of \$16,600		<u>68,921</u>
Total current assets		394,774
PROPERTY, PLANT AND EQUIPMENT		
Office equipment		16,808
Less: accumulated depreciation		<u>(14,881)</u>
Net property, plant and equipment		<u>1,927</u>
Total assets	\$	<u>396,701</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable		745
Due to agencies		<u>83,914</u>
Total current liabilities		<u>84,659</u>
Total liabilities		84,659
NET ASSETS		
Unrestricted		
Designated by the Board		<u>312,042</u>
Total net assets		<u>312,042</u>
Total liabilities and net assets	\$	<u><u>396,701</u></u>

The accompanying notes are an integral part of these financial statements

UNITED WAY OF VIRGINIA'S EASTERN SHORE, INC.
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2017

		<u>2017</u>
REVENUES		
Total amounts raised	\$	279,812
Less: amounts designated by donors for specific organizations		<u>(95,987)</u>
Total contributions		183,825
Interest and dividends		<u>950</u>
Total support and revenue	\$	184,775
OPERATING EXPENSES		
Distributions to qualified charities	\$	126,184
Campaign and fundraising expenses		6,454
Accounting		3,000
Depreciation		675
Dues to United Way of America		2,943
Insurances		960
Office expenses and other		4,706
Personnel costs		32,065
Telephone and internet		1,619
Travel and meetings		<u>1,997</u>
Total expenses		<u>180,603</u>
Change in net assets	\$	4,172
Net assets-beginning of year		<u>307,870</u>
Net assets-end of year	\$	<u><u>312,042</u></u>

The accompanying notes are an integral part of these financial statements

UNITED WAY OF VIRGINIA'S EASTERN SHORE, INC.
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2017

	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets	\$ 4,172
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	675
Increase (decrease) in allowance for doubtful accounts	(2,450)
(Increase) decrease in operating assets:	
Pledges receivable	4,167
Increase (decrease) in operating liabilities:	
Accounts payable and payroll liabilities	<u>195</u>
Net cash provided by operating activities	6,759
CASH FLOWS FROM FINANCING ACTIVITIES	
(Decrease) in amounts owed to donor specified nonprofit agencies	<u>(10,662)</u>
Net cash (used) by financing activities	<u>(10,662)</u>
Net (decrease) in cash	(3,903)
Cash, beginning of year	<u>329,756</u>
Cash, end of year	<u>\$ 325,853</u>

The accompanying notes are an integral part of these financial statements

UNITED WAY OF VIRGINIA'S EASTERN SHORE, INC.
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

1) Nature of Activities

The United Way of Virginia's Eastern Shore, Inc. is a not-for-profit organization providing assistance to deserving charities of the Eastern Shore of Virginia.

2) Summary of Significant Accounting Policies and Procedures

Basis of Accounting

The financial statements of the United Way of Virginia's Eastern Shore, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial Statement Presentation

The United Way of Virginia's Eastern Shore, Inc. has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Organization is required to present a statement of cash flows. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The United Way of Virginia's Eastern Shore, Inc. has the following class of net assets:

Unrestricted Net Assets

Net assets that represent resources over which the Board of Directors has discretionary control and are used to carry out Organization operations in accordance with its bylaws.

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.

Cash

The Organization considers all cash accounts which are not subject to withdrawal restrictions or penalties to be cash or cash equivalents.

Pledges Receivable

The Organization records all unconditional promises to give as pledges receivable. Pledges receivable may be subject to donor imposed restrictions. The Organization has adopted the reserve method of accounting for doubtful pledges receivable. Pledges receivable are shown net of an allowance for doubtful accounts of \$16,600 as of June 30, 2017.

Property, Plant and Equipment

The Organization records property, plant and equipment at cost and provides for depreciation over the estimated useful lives of the depreciable assets. Depreciation is computed on the straight line and accelerated methods over 5 years for all office equipment and furniture for financial statement purposes. Depreciation expense is \$675 for the year ended June 30, 2017.

UNITED WAY OF VIRGINIA'S EASTERN SHORE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For The Year Ended June 30, 2017

2) Summary of Significant Accounting Policies, (Continued)

Due to Agencies

Due to agencies represents amounts received by or pledged to the Organization which are designated by the donors to go to other qualified not-for-profit agencies. Eleven point six percent (9.9%) of these donor restricted designated amounts are retained by the Organization to assist in the absorption of administrative expenses. Additionally, eleven point six percent (11.6%) of these donor restricted designated amounts are used to offset estimated pledge losses from uncollectible pledges, unless the pledges were paid in full immediately upon billing. Agencies must provide approved documentation of not-for-profit status before amounts designated for them in due to agencies can be paid. After a prescribed amount of time, amounts included in due to agencies for which appropriate documentation has not been timely provided are transferred to unrestricted income.

Contributions

The Organization reports undesignated contributions as revenue and reports contributions received which are designated by the donor for specific charities as funds held in trust for the designated charities. Such funds are shown as a liability on the statement of financial position, subject to an administrative expense and pledge loss allowance as detailed above.

Income Taxes

The United Way of Virginia's Eastern Shore, Inc is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and, therefore, has made no provision for federal or state income taxes.

Leases

The Organization is currently located in the SunTrust Bank branch office located in Onancock, VA. No rent is charged for the use of this space.

UNITED WAY OF VIRGINIA'S EASTERN SHORE, INC.
FINANCIAL STATEMENTS
JUNE 30, 2017