

UNITED WAY OF DENTON COUNTY, INC.

ANNUAL FINANCIAL REPORT

YEAR ENDED MARCH 31, 2016

UNITED WAY OF DENTON COUNTY, INC.
ANNUAL FINANCIAL REPORT
March 31, 2016 and 2015

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**HANKINS, EASTUP, DEATON,
TONN & SEAY**
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

To The Board of Directors
United Way of Denton County, Inc.
Denton, Texas

We have audited the accompanying financial statements of United Way of Denton County, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2016 and the related statements of activities, cash flows, and functional expenses for the year 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 March 31, 2016 financial statements referred to above present fairly, in all material respects, the financial position of United Way of Denton County, Inc. as of March 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay, P.C.
Denton, Texas

June 8, 2016

UNITED WAY OF DENTON COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 1,530,264	\$ 1,532,333
Pledges receivable, net - Note 2	1,138,474	1,042,064
Accounts receivable - other	16,863	5,820
Prepaid expenses	22,428	7,709
Total Current Assets	<u>2,708,029</u>	<u>2,587,926</u>
Property and Equipment - Note 3:		
Office equipment and furniture	218,638	196,001
Less accumulated depreciation	<u>(134,985)</u>	<u>(114,121)</u>
Net Property and Equipment	<u>83,653</u>	<u>81,880</u>
Total Assets	<u>\$ 2,791,682</u>	<u>\$ 2,669,806</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	33,503	24,217
Designated funds payable - Note 5	<u>270,805</u>	<u>291,705</u>
Total Current Liabilities	<u>304,308</u>	<u>315,922</u>
Net Assets:		
Unrestricted	1,300,480	1,238,198
Temporarily restricted - Note 8	<u>1,186,894</u>	<u>1,115,686</u>
Total Net Assets	<u>2,487,374</u>	<u>2,353,884</u>
Total Liabilities and Net Assets	<u>\$ 2,791,682</u>	<u>\$ 2,669,806</u>

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

UNITED WAY OF DENTON COUNTY, INC.

STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	2016		Total
	Unrestricted	Temporarily Restricted	
Public Support and Revenue:			
Campaign Results:			
Gross campaign results	\$ 848,413	\$ 1,138,474	\$ 1,986,887
Gross campaign results in prior year released from restriction	1,042,064	(1,042,064)	-
Total Campaign Results	<u>1,890,477</u>	<u>96,410</u>	<u>1,986,887</u>
Less provision for uncollectible amounts	(104,656)	-	(104,656)
Net Campaign Revenue	<u>1,785,821</u>	<u>96,410</u>	<u>1,882,231</u>
Other Revenue:			
Special events	43,867		43,867
Other contributions and grants	120,619	51,000	171,619
Other contributions released from restrictions	76,202	(76,202)	-
Service fees	43,178		43,178
Interest income	2,920		2,920
Total Other Revenue	<u>286,786</u>	<u>(25,202)</u>	<u>261,584</u>
Total Public Support and Revenue	<u>2,072,607</u>	<u>71,208</u>	<u>2,143,815</u>
Expenses:			
Program Services:			
Funds awarded/distributed	1,071,506	-	1,071,506
Community capacity building	388,058	-	388,058
Community education	88,513	-	88,513
I&R research	21,608	-	21,608
VITA	106,450	-	106,450
Project blueprint	21,418	-	21,418
Total Program Services	<u>1,697,553</u>	<u>-</u>	<u>1,697,553</u>
Supporting Services:			
Organizational administration	100,635	-	100,635
Campaign	212,137	-	212,137
Total Supporting Services	<u>312,772</u>	<u>-</u>	<u>312,772</u>
Total expenses	<u>2,010,325</u>	<u>-</u>	<u>2,010,325</u>
Change in Net Assets	62,282	71,208	133,490
Net Assets, Beginning of Year	1,238,198	1,115,686	2,353,884
Net Assets, End of Year	<u>\$ 1,300,480</u>	<u>\$ 1,186,894</u>	<u>\$ 2,487,374</u>

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

2015		
Unrestricted	Temporarily Restricted	Total
\$ 790,359	\$ 1,042,064	\$ 1,832,423
976,437	(976,437)	-
<u>1,766,796</u>	<u>65,627</u>	<u>1,832,423</u>
(104,102)	-	(104,102)
<u>1,662,694</u>	<u>65,627</u>	<u>1,728,321</u>
47,080	-	47,080
105,461	90,000	195,461
37,395	(37,395)	-
46,285	-	46,285
3,087	-	3,087
<u>239,308</u>	<u>52,605</u>	<u>291,913</u>
<u>1,902,002</u>	<u>118,232</u>	<u>2,020,234</u>
920,292	-	920,292
247,550	-	247,550
99,776	-	99,776
32,795	-	32,795
114,359	-	114,359
14,632	-	14,632
<u>1,429,404</u>	<u>-</u>	<u>1,429,404</u>
127,495	-	127,495
184,998	-	184,998
<u>312,493</u>	<u>-</u>	<u>312,493</u>
<u>1,741,897</u>	<u>-</u>	<u>1,741,897</u>
160,105	118,232	278,337
1,078,093	997,454	2,075,547
<u>\$ 1,238,198</u>	<u>\$ 1,115,686</u>	<u>\$ 2,353,884</u>

UNITED WAY OF DENTON COUNTY, INC.

STATEMENT OF CASH FLOWS
MARCH 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 133,490	\$ 278,337
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	31,521	30,778
(Increase) decrease in pledges receivable	(96,410)	(65,627)
(Increase) decrease in accounts receivable - other	(11,043)	(2,100)
(Increase) decrease in prepaid expenses	(14,719)	(1,280)
Increase (decrease) in accounts payable	9,286	(4,625)
Increase (decrease) in designated funds payable	<u>(20,900)</u>	<u>(1,848)</u>
Net Cash Provided by Operating Activities	<u>31,225</u>	<u>233,635</u>
Cash Flows from Investing Activities:		
Acquisition of property and equipment	<u>(33,294)</u>	<u>(16,138)</u>
Net Cash Used by Investing Activities	<u>(33,294)</u>	<u>(16,138)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,069)	217,497
Cash and Cash Equivalents, Beginning of Year	<u>1,532,333</u>	<u>1,314,836</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,530,264</u>	<u>\$ 1,532,333</u>
Supplemental Data:		
Noncash Operating Activities:		
In-Kind Donations	<u>\$ 4,200</u>	<u>\$ 46,482</u>

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

UNITED WAY OF DENTON COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended March 31, 2016 and 2015

	2016											
	Program Services						Support Services					
	Allocation Services	Community Capacity Building	Community Education	I&R Research	VITA	Project Blueprint	Total Program Services	Organizational Administration	Campaign	Total Support Services	Total	
Allocations and Awards	\$ 1,004,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,004,456	\$ -	\$ -	\$ -	\$ -	\$ 1,004,456
Total Allocations and Awards	1,004,456	-	-	-	-	-	1,004,456	-	-	-	-	1,004,456
Salaries and wages	26,603	206,991	39,924	9,748	62,339	11,097	356,702	53,600	117,059	170,659	527,361	
Payroll taxes	2,006	14,993	2,975	721	4,848	842	26,385	3,963	8,622	12,585	38,970	
Employee benefits	3,708	29,268	8,095	1,127	7,450	1,448	51,096	10,115	22,070	32,185	83,281	
Total payroll expenses	32,317	251,252	50,994	11,596	74,637	13,387	434,183	67,678	147,751	215,429	649,612	
Contract services	1,570	5,338	-	785	2,355	157	10,205	2,355	8,140	10,495	20,700	
Supplies	2,166	36,552	3,139	591	4,093	3,482	50,023	4,376	7,193	11,569	61,592	
Postage and shipping	258	875	1,046	240	319	131	2,869	937	5,086	6,023	8,892	
Telephone and networks	726	4,779	2,075	416	1,328	260	9,584	1,086	2,366	3,452	13,036	
Occupancy	8,957	42,982	5,217	4,478	9,253	755	71,642	8,957	8,969	17,926	89,568	
Equipment rental & maintenance	1,884	7,819	1,132	795	2,691	126	14,447	2,239	2,214	4,453	18,900	
Printing	1,295	10,558	13,022	545	4,567	319	30,306	867	12,545	13,412	43,718	
Travel	133	3,800	2,324	-	3,666	8	9,931	76	2,356	2,432	12,363	
Conferences and meetings	109	4,261	328	73	328	73	5,172	437	984	1,421	6,593	
Insurance	291	1,471	390	227	321	163	2,863	944	896	1,840	4,703	
Awards	-	75	36	-	43	765	919	-	1,276	1,276	2,195	
Dues	293	1,459	1,605	254	302	114	4,027	874	1,161	2,035	6,062	
Other	5	2,415	60	8	1	78	2,567	4,111	48	4,159	6,726	
Special events	-	700	-	-	-	-	700	-	352	352	1,052	
In-kind expenses	-	250	2,250	-	-	-	2,500	-	1,700	1,700	4,200	
United Way of America dues	1,058	5,001	2,186	1,058	1,058	1,058	11,419	3,442	5,041	8,483	19,902	
United Way of Texas dues	227	906	1,133	227	227	227	2,947	680	907	1,587	4,534	
Total Expenses	51,289	380,493	86,937	21,293	105,189	21,103	666,304	99,059	208,985	308,044	974,348	
Before Depreciation												
Depreciation of Property and Equipment	15,761	7,565	1,576	315	1,261	315	26,793	1,576	3,152	4,728	31,521	
Total Expenses	\$ 1,071,506	\$ 388,058	\$ 88,513	\$ 21,608	\$ 106,450	\$ 21,418	\$ 1,697,553	\$ 100,635	\$ 212,137	\$ 312,772	\$ 2,010,325	

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

UNITED WAY OF DENTON COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended March 31, 2016 and 2015

	2015										
	Program Services					Support Services					Total
	Allocation Services	Community Capacity Building	Community Education	I&R Research	VITA	Project Blueprint	Program Services	Organizational Administration	Campaign	Support Services	
Allocations and Awards	\$ 873,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 873,583	\$ -	\$ -	\$ -	\$ 873,583
Total Allocations and Awards	873,583	-	-	-	-	-	873,583	-	-	-	873,583
Salaries and wages	12,884	130,928	52,102	6,102	54,974	2,809	259,799	64,236	85,155	149,391	409,190
Payroll taxes	961	9,710	3,888	444	3,803	212	19,018	4,788	6,290	11,078	30,096
Employee benefits	2,346	18,333	9,271	2,807	6,519	668	39,944	12,504	14,352	26,856	66,800
Total payroll expenses	16,191	158,971	65,261	9,353	65,296	3,689	318,761	81,528	105,797	187,325	506,086
Contract services	1,020	1,874	4,588	1,090	546	308	9,426	2,930	3,444	6,374	15,800
Supplies	2,317	20,301	1,308	857	3,460	4,390	32,633	4,308	7,190	11,498	44,131
Postage and shipping	181	700	1,235	236	265	105	2,722	854	4,610	5,464	8,186
Telephone and networks	331	2,508	910	414	1,018	87	5,268	1,639	1,640	3,279	8,547
Occupancy	9,624	26,386	6,129	4,342	19,958	1,157	67,596	8,539	9,263	17,802	85,398
Equipment rental and maintenance	2,185	7,690	2,072	886	5,009	423	18,265	2,543	3,383	5,926	24,191
Printing	1,340	4,568	2,251	11,240	5,822	830	26,051	2,008	13,189	15,197	41,248
Travel	211	4,864	3,413	3	2,302	7	10,800	251	2,202	2,453	13,253
Conferences and meetings	4	1,353	1,212	4	4	4	2,581	21	5,322	5,343	7,924
Insurance	549	1,870	275	269	1,373	640	4,336	562	602	1,164	5,500
Awards	849	849	1,893	299	656	299	1,489	841	1,389	1,389	2,878
Dues	319	754	167	299	656	299	4,220	841	971	1,812	6,032
Other		267	167				434	9,462	165	9,627	10,061
Special events		360					360	375	886	1,261	1,621
In-kind expenses	3,545	5,926	4,812	2,605	2,221	1,496	20,605	2,322	13,439	15,761	36,366
United Way Worldwide dues	1,088	2,641	3,704	1,088	1,088	1,088	10,697	3,444	3,989	7,433	18,130
United Way of Texas dues	109	436	546	109	109	109	1,418	328	438	766	2,184
Total Expenses	39,014	242,318	99,776	32,795	109,127	14,632	537,662	121,955	177,919	299,874	837,536
Before Depreciation											
Depreciation of Property and Equipment	7,695	5,232	-	-	5,232	-	18,159	5,540	7,079	12,619	30,778
Total Expenses	\$ 920,292	\$ 247,550	\$ 99,776	\$ 32,795	\$ 114,359	\$ 14,632	\$ 1,429,404	\$ 127,495	\$ 184,998	\$ 312,493	\$ 1,741,897

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

UNITED WAY OF DENTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016 and 2015

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies

The nature of activities and summary of significant accounting policies of United Way of Denton County, Inc. (the Organization) is presented to assist in understanding the Organization's financial statements. Management of the Organization is responsible for the accuracy and internal consistency of the preparation of the financial statements and notes contained in this annual report.

Nature of Activities –The United Way of Denton County, Inc. serves as a catalyst to facilitate the organized effort of the community to identify and address the existing and emerging human needs of its people. The Organization is supported primarily through donor contributions.

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Financial statement presented follows the requirements of FASB ASC 958-210, *Not-For-Profit Entities-Balance Sheet*, and FASB ASC 958-225, *Not-For-Profit Entities-Income Statement*. Under those provisions, net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

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

Temporarily restricted net assets - Net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization 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.

Permanently restricted net assets - Net assets are subject to donor-imposed stipulations that will 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 any related investments for general or specific purposes. At March 31, 2016 and 2015 the Organizations did not have any permanently restricted net assets.

Cash and Cash Equivalents – Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of twelve months or less when purchased. All certificates of deposit included in cash and cash equivalents are reported at cost, which approximates fair value.

Support and Promises to Give – Annual campaigns are conducted to raise support for allocation to participating agencies in the current and subsequent year. Unconditional promises to give that are expected to be collected within one year are recognized as revenue when the promise to give is made, in accordance with GAAP. All support is considered available for unrestricted use or temporarily restricted due to time restrictions, unless specifically restricted by the donor. Promises to give are recorded as received, and allowances are provided for amounts estimated as uncollectable. The allowance for uncollectible pledges is established by the United Way Management based on past collection experience and current economic conditions.

UNITED WAY OF DENTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 and 2015

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies - Continued

Donor restricted pledges are not recognized as revenue as the Organization acts only as an intermediary between the donor and the ultimate beneficiary as required by FASB ASC 958-605, Not-For-Profit Entities-Revenue Recognition. The SECC campaign and all specific donor designated donations fall under this designation.

Contributions – The Organization's success in conducting its mission is highly dependent on attracting committed volunteers. A substantial number of volunteers have donated significant amounts of their time in the Organization's management and fund raising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills. Donated property and professional services are recorded at their estimated fair value as of the date of the donation.

Property and Equipment – Property and equipment are stated at cost, or if donated, the approximate fair value as of the date of the donation, less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which range from 3 to 10 years. Expenditures for the new construction, major renewals and replacements, and equipment are capitalized.

Functional Expenses – The Organization allocates its expenses on a functional basis among its program and supporting services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated on estimates made by the Organization's management.

Income Taxes – The Organization is a not-for-profit corporation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and from Texas franchise and sales and use taxes. In addition, contributions to the Organization qualify for the charitable contribution deduction under IRC Section 170(b)(1)(A). United Way of Denton County, Inc. has been classified as an organization that is not a private foundation under IRC Section 509(a)(2).

The Organization applies the provisions of FASB ASC 74, *Income Taxes* related to the accounting for uncertainty in income taxes, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. For the years ended March 31, 2016 and 2015, the organization does not believe it currently holds any uncertain tax positions, therefore no recognition of uncertain tax positions is reflected in the financial statements. There was no unrelated business income for the years ended March 31, 2016 and 2015, and as a result, there was no income tax liability.

UNITED WAY OF DENTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 and 2015

NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies - Continued

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising Costs – Advertising costs are expensed as incurred.

NOTE 2 – Pledges Receivable

Pledges receivable at March 31, 2016 and 2015 consisted of the following promises and the expected time of collection:

	<u>2016</u>	<u>2015</u>
Pledges receivable (in less than one year)	\$1,348,608	\$1,238,305
Less allowance for uncollectible pledges	<u>(210,133)</u>	<u>(196,241)</u>
Pledges receivable, net	<u>\$1,138,475</u>	<u>\$ 1,042,064</u>

NOTE 3 – Property and Equipment

Property and equipment consist of the following at March 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Office furniture, equipment, and improvements	\$ 218,638	\$ 196,001
Less accumulated depreciation	<u>(134,985)</u>	<u>(114,121)</u>
Total office furniture, equipment, and improvement	<u>\$ 83,653</u>	<u>\$ 81,880</u>

NOTE 4 – Contributions – Donated Services and Materials

A substantial number of unpaid volunteers have made significant contributions of their time to the Organization's activities during the years. The value of this contributed time is not reflected in these statements. The contributions of services are recognized only if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Materials and other assets received as donations are reflected in the accompanying financial statements at their fair values on the date of receipt and are described as in-kind donations. In-kind donations decreased from \$36,366 for year ended March 31, 2015 to \$4,200 for the year ended March 31, 2016.

UNITED WAY OF DENTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 and 2015

NOTE 5 – Designated Funds Payable

The State Employee Charitable Contribution program (SECC) is the only authorized charitable fundraising drive in the State workplace. The United Way serves as the Local Campaign Manager for the SECC campaign. The Organization acts as an intermediary between the donor and the ultimate beneficiary. The SECC funds and designated funds collected through the United Way Campaign are not recognized as revenue by the Organization, but are reported as a designated payable in the statement of the financial position. The SECC campaign and the United Way campaign designated payables at March 31, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
SECC payable	\$129,467	\$145,191
Member agencies payable	59,595	70,007
Unaffiliated agencies payable	<u>81,743</u>	<u>76,507</u>
Total designated funds payable	<u>\$270,805</u>	<u>\$291,705</u>

NOTE 6 – Lease Commitments

The Organization leases office space and certain office equipment under operating leases expiring through December 2018. Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of March 31, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
03/31/2016	\$ -	\$ 80,566
03/31/2017	80,570	62,308
03/31/2018	76,312	3,262
03/31/2019	55,639	851
03/31/2020	<u>-</u>	<u>-</u>
Totals	<u>\$212,521</u>	<u>\$146,987</u>

Rent expense under operating leases was \$80,622 and \$81,135 for the years ended March 31, 2016 and 2015, respectively.

NOTE 7 – Retirement Plan

The Organization's retirement plan is administered by the United Way. It is a defined contribution retirement plan described under Section 403(b) of the Internal Revenue Service Code. It is a defined contribution retirement plan which provides retirement benefits for all employees who normally work more than twenty hours per week. The Organization contributed amounts during the years ended March 31, 2016 and 2015 equal to a maximum of six percent of the eligible employees' gross salaries. Contributions for the years ended March 31, 2016 and 2015 were \$26,000 and \$19,637, respectively. Under this plan, participant accounts are one-hundred percent vested at all times.

UNITED WAY OF DENTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 and 2015

NOTE 8 – Temporarily Restricted Net Assets

Net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization 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. As of March 31, 2016 and 2015, temporarily restricted net assets were available for the following:

	<u>2016</u>	<u>2015</u>
Pledges receivable, net	\$1,138,475	\$1,042,064
Mental Health Task Force contribution	48,420	73,622
Total temporarily restricted net assets	<u>\$1,186,895</u>	<u>\$1,115,686</u>

NOTE 9 – Concentration of Credit and Market Risk

The Organization maintains various bank accounts that may from time to time contain balances in excess of federally insured limits. The Organization manages this risk by maintaining the deposits with high quality financial institutions.

The Organization has various receivables as of March 31, 2016 and 2015. The Organization consider its risk of loss from receivables (net of allowance for uncollectible amounts) to be minimal.

The Organization received approximately 70% of its contributions from fifteen companies and/or their employees for the 2015 pledge campaign year and received approximately 61% of its contributions from fifteen companies and/or their employees for the 2014 pledge campaign year.

NOTE 10 – Financial Instruments

Accounts receivable – The amounts reported in the accompanying statements of financial position as accounts receivable approximate fair value because of the short maturities of those instruments.

Pledges receivable – The amounts reported in the accompanying statements of financial position as pledges receivable approximate fair value because of the short maturities of those instruments.

Accounts payable and other amounts payable – The carrying amounts reported in the accompanying statements of the financial position for accounts payable and other amounts payable approximate fair value.

UNITED WAY OF DENTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016 and 2015

NOTE 10 – Financial Instruments Continued

The carrying amounts and fair value of the United Way's financial instruments at March 31, 2016 and 2015 are as follows:

	<u>2016</u>		<u>2015</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial Assets:				
Cash and cash equivalents	\$1,317,072	\$1,317,072	\$1,320,355	\$1,320,355
Certificates of deposit included in cash and cash equivalents	213,192	213,192	211,978	211,978
Pledges receivable	1,138,475	1,138,475	1,042,064	1,042,064
Financial liabilities:				
Accounts payable and other amounts payable	304,308	304,308	315,922	315,922

NOTE 11 – Subsequent Events

Management has evaluated the impact of all subsequent events on the Organization through June 8, 2016, the date of financial statements issuance, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.