

UNITED WAY OF EAST CENTRAL ALABAMA, INC.

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

DECEMBER 31, 2016 AND 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of East Central Alabama, Inc.
Anniston, Alabama

I have audited the accompanying financial statements of United Way of East Central Alabama, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements 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 presentation 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of East Central Alabama, Inc. as of December 31, 2016 and 2015, 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.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses and agency allocations on pages 22-31 are presented for purposes of additional analysis and are 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Curvin Accounting, LLC

Jacksonville, Alabama
July 21, 2017

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS	General	ASECCC	Total
Current Assets			
Cash	\$ 776,929	\$ 1,245	\$ 778,174
Investments	417,539	-	417,539
Prepaid assets	2,962	-	2,962
Due from Combined Federal Campaign	40,753	-	40,753
Pledges receivable (net of reserve for uncollectibles)	489,527	2,213	491,740
Total Current Assets	1,727,709	3,458	1,731,167
Property and Equipment (net)	290,992	-	290,992
Other Assets			
Investments	70,174	-	70,174
Total Other Assets	70,174	-	70,174
Total Assets	\$ 2,088,875	\$ 3,458	\$ 2,092,333
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	\$ 4,854	\$ -	\$ 4,854
Payroll liabilities	1,646	-	1,646
Accrued compensation	8,420	-	8,420
Deferred revenue	-	-	-
Total Current Liabilities	14,919	-	14,919
Net Assets			
Unrestricted	1,987,874	3,458	1,991,332
Temporarily restricted	86,082	-	86,082
Total Net Assets	2,073,956	3,458	2,077,414
Total Liabilities and Net Assets	\$ 2,088,875	\$ 3,458	\$ 2,092,333

See notes to financial statements.

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS	General	ASECCC	Total
Current Assets			
Cash	\$ 753,693	\$ 2,237	\$ 755,931
Investments	398,415	-	398,415
Prepaid assets	3,049	-	3,049
Due from Combined Federal Campaign	45,168	-	45,168
Pledges receivable (net of reserve for uncollectibles)	472,796	3,864	476,660
Total Current Assets	1,673,121	6,101	1,679,223
Property and Equipment (net)	292,007	-	292,007
Other Assets			
Investments	68,788	-	68,788
Total Other Assets	68,788	-	68,788
Total Assets	<u>\$ 2,033,917</u>	<u>\$ 6,101</u>	<u>\$ 2,040,018</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	\$ 1,267	\$ -	\$ 1,267
Payroll liabilities	1,763	-	1,763
Accrued compensation	5,388	-	5,388
Deferred revenue	-	-	-
Total Current Liabilities	8,417	-	8,417
Net Assets			
Unrestricted	1,939,418	6,101	1,945,520
Temporarily restricted	86,082	-	86,082
Total Net Assets	2,025,500	6,101	2,031,602
Total Liabilities and Net Assets	<u>\$ 2,033,917</u>	<u>\$ 6,101</u>	<u>\$ 2,040,018</u>

See notes to financial statements.

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>		<u>Temporarily Restricted</u>	<u>Total</u>
	<u>General</u>	<u>ASECCC</u>		
REVENUES				
Public support	\$ 854,094	\$ 7,114	\$ -	\$ 861,207
Combined Federal Campaign income	40,753	-	-	40,753
Disaster relief income	-	-	-	-
Interest income	1,665	-	-	1,665
Investment income	12,452	-	-	12,452
Rental and copier income	1,524	-	-	1,524
Sponsorship income	48,581	-	-	48,581
Miscellaneous income	12,145	-	-	12,145
Net assets released from restrictions	-	-	-	-
Total Revenue	<u>971,214</u>	<u>7,114</u>	<u>-</u>	<u>978,327</u>
EXPENSES				
Program services	780,602	9,757	-	790,359
Supporting services	<u>142,156</u>	<u>-</u>	<u>-</u>	<u>142,156</u>
Total Expenses	<u>922,758</u>	<u>9,757</u>	<u>-</u>	<u>932,515</u>
Increase (Decrease) in Net Assets	<u>48,456</u>	<u>(2,643)</u>	<u>-</u>	<u>45,812</u>
Net Assets, Beginning	<u>1,939,418</u>	<u>6,101</u>	<u>86,082</u>	<u>2,031,602</u>
Net Assets, Ending	<u><u>\$1,987,874</u></u>	<u><u>\$ 3,458</u></u>	<u><u>\$ 86,082</u></u>	<u><u>\$2,077,414</u></u>

See notes to financial statements.

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>		<u>Temporarily</u>	
	<u>General</u>	<u>ASECCC</u>	<u>Restricted</u>	<u>Total</u>
REVENUES				
Public support	\$ 871,056	\$ 11,861	\$ -	\$ 882,916
Combined Federal Campaign income	45,168	-	-	45,168
Disaster relief income	-	-	6,159	6,159
Interest income	2,227	-	-	2,227
Investment income	(8,838)	-	-	(8,838)
Rental and copier income	2,058	-	-	2,058
Sponsorship income	64,293	-	-	64,293
Miscellaneous income	5,234	-	-	5,234
Net assets released from restrictions	6,159	-	(6,159)	-
Total Revenue	987,358	11,861	-	999,218
EXPENSES				
Program services	793,459	9,619	-	803,077
Supporting services	135,122	55	-	135,178
Total Expenses	928,581	9,674	-	938,255
Increase (Decrease) in Net Assets	58,777	2,186	-	60,964
Net Assets, Beginning	1,880,641	3,915	86,082	1,970,638
Net Assets, Ending	\$ 1,939,418	\$ 6,101	\$86,082	\$ 2,031,602

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 45,812	\$ 60,964
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	15,421	14,322
(Increase) decrease in due froms	4,415	(7,120)
(Increase) decrease in receivables	(15,080)	(612)
(Increase) decrease in prepaid assets	87	94
Increase (decrease) in payroll liabilities	(117)	176
Increase (decrease) in accounts payable	3,587	996
Increase (decrease) in accrued compensation	3,032	(1,612)
	<u>57,158</u>	<u>67,206</u>
Net Cash Provided By Operating Activities	57,158	67,206
Cash Flows From Investing Activities		
Purchases of property and equipment	<u>(14,404)</u>	<u>(49,543)</u>
Net Cash Used By Investing Activities	<u>(14,404)</u>	<u>(49,543)</u>
Net Increase in Cash	42,754	17,663
Cash and Investments, Beginning of Year	<u>1,223,133</u>	<u>1,205,470</u>
Cash and Investments, End of Year	<u><u>\$ 1,265,887</u></u>	<u><u>\$ 1,223,133</u></u>
Cash	\$ 778,174	\$ 755,931
Investments - current	417,539	398,415
Investments - non-current	70,174	68,788
Cash and Investments, End of Year	<u><u>\$ 1,265,887</u></u>	<u><u>\$ 1,223,133</u></u>

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
STATEMENTS OF FIDUCIARY NET ASSETS
COMBINED FEDERAL CAMPAIGN
DECEMBER 31, 2016 AND 2015

ASSETS	<u>2016</u>	<u>2015</u>
Current Assets		
Cash	\$ 52,715	\$ 59,522
Pledges receivable (net of reserve for uncollectibles)	<u>26,835</u>	<u>41,226</u>
Total Current Assets	<u>79,550</u>	<u>100,748</u>
 Total Assets	 <u><u>\$ 79,550</u></u>	 <u><u>\$ 100,748</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Due to United Way	\$ 40,753	\$ 45,168
Deferred revenue	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>40,753</u>	<u>45,168</u>
 Net Assets Held in Trust	 <u><u>\$ 38,797</u></u>	 <u><u>\$ 55,580</u></u>

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS
COMBINED FEDERAL CAMPAIGN
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

ADDITIONS TO NET ASSETS	<u>2016</u>	<u>2015</u>
Public support	\$ 193,735	\$ 232,146
Interest income	<u>-</u>	<u>2</u>
Total Additions	193,735	232,148
 DEDUCTIONS FROM NET ASSETS		
Agency allocations	168,265	183,779
Administrative fees	40,753	45,168
Professional fees	1,500	1,000
Bank charges	<u>-</u>	<u>208</u>
Total Deductions	<u>210,517</u>	<u>230,155</u>
Change in Net Assets	(16,782)	1,993
Net Assets, Beginning	<u>55,580</u>	<u>53,587</u>
Net Assets, Ending	<u><u>\$ 38,797</u></u>	<u><u>\$ 55,580</u></u>

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Way East Central Alabama, Inc. is a non-profit agency organized for the purpose of conducting a campaign to raise money for and support non-profit agencies in Calhoun, Cleburne, and Randolph Counties.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles, and reflect significant receivables, payables and other liabilities. Allowances are provided for amounts that are expected to be uncollectible. Annual campaigns are conducted prior to the calendar year that funds are allocated to participating agencies.

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 assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

The costs of providing Organization programs and the administration of the organization have been summarized on a functional basis in the Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Net Assets Classifications

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Support is recorded depending on the existence or nature of any donor restrictions. As the restrictions expire or conditions of restrictions are satisfied in the year of donation, the assets are recorded as unrestricted.

- Unrestricted net assets of the Organization represent revenues and expenses related to the operation and management of the Organization's primary programs and supporting services.

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets Classifications (Continued)

- Temporarily restricted net assets represent resources available for use, but expendable only for the purposes specified by the donor.
- Permanently restricted net assets are permanently restricted by the donor. There are no permanently restricted net assets.

Cash and Cash Equivalents

The Organization considers all cash on hand, demand deposit accounts and short-term investments purchased with a maturity of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts that may periodically exceed federally insured limits.

Prepaid Expenses

Prepaid expenses consist of insurance policies and maintenance agreements paid in advance.

Property and Equipment

Property and equipment are stated at historical cost less accumulated depreciation or, if donated, at the approximate fair value at the date of donation less accumulated depreciation. All expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs, and minor expenditures are charged to activities as incurred. When property and equipment is retired or otherwise disposed of, the related costs and accumulated depreciation are removed from their respective accounts, and any gain or loss on the disposition is credited or charged to operations.

The Organization provides for depreciation of property and equipment using the straight-line method to amortize costs over estimated useful lives as follows:

Item	Estimated Useful Life
Buildings	40 years
Building Improvements	10-15 years
Equipment	5-7 years

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The United Way of East Central Alabama, Inc. is incorporated under the laws of the State of Alabama as a nonprofit corporation and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code that is exempt from taxation. Therefore, no provision or liability for income taxes has been included in these financial statements.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years 2014, 2015, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Revenues and Support

Revenues of the Organization consist mostly of funds received from private donations and have been recognized on an accrual basis when pledges are received. All public support is considered available for unrestricted use unless specifically restricted to certain use 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 asset 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.

Date of Management's Review

Subsequent events were evaluated through July 21, 2017, the date the financial statements were available to be issued.

NOTE B – CASH

The Organization maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The following is a summary of the insured and uninsured portion of the balances at December 31, 2016:

	General	ASECCC
Cash held in bank	\$ 880,284	\$ 1,389
Insured by FDIC	<u>880,284</u>	<u>1,389</u>
Uninsured cash	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE C – INVESTMENTS

Investments are all level one inputs reported at fair market value. Investments represent money market accounts, stocks, bonds and universal life insurance policies as follow:

December 31, 2016	Market Value	Cost
CSV Life Insurance	\$ 70,174	\$ N/A
*Regions Trust Money Market Deposit Account	40,105	40,105
*Bond Fund (3.25%- 5.125%)	237,279	237,005
*506 Shares- American Century Intl Growth	5,370	4,841
*123 Shares - Goldman Sacs Mid Cap	4,457	3,669
*955 Shares- American Growth Fd of Amer -F2	40,058	25,229
*1132 Shares- MFS Resh Intl Fd CL 1	17,817	18,200
*1257 Shares - MFS Value Fund CL 1	45,555	27,667
*575 Shares - Oppenheimer Main St Small Cap Fd	16,357	10,500
*300 Shares - Pioneer Select Mid Cap Growth	10,541	6,721
	<u>\$ 487,713</u>	<u>\$ 373,937</u>

December 31, 2015	Market Value	Cost
CSV Life Insurance	\$ 68,788	\$ N/A
*Regions Trust Money Market Deposit Account	39,667	39,667
*Bond Fund (3.25%- 5.125%)	230,714	233,005
*506 Shares- American Century Intl Growth	5,730	4,841
*123 Shares - Goldman Sacs Mid Cap	3,989	3,669
*955 Shares- American Growth Fd of Amer -F2	39,351	25,229
*763 Shares- MFS Resh Intl Fd CL 1	12,348	12,200
*1257 Shares - MFS Value Fund CL 1	41,432	27,667
*575 Shares - Oppenheimer Main St Small Cap Fd	14,826	10,500
*300 Shares - Pioneer Select Mid Cap Growth	10,358	6,721
	<u>\$ 467,203</u>	<u>\$ 363,499</u>

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE C – INVESTMENTS – continued

Net unrealized gains and losses are recorded annually in the unrestricted fund balance. Net unrealized gain for 2016 was \$8,685, and net unrealized loss for 2015 was \$17,205.

Regions Morgan Keegan Forever Fund Account Activity	2016	2015
Beginning Balance	\$ 398,415	\$ 400,697
Additions/Withdrawals	(9,439)	1,000
Realized Gain/Loss	3,767	8,367
Unrecognized Gain/(Loss)	19,124	(17,491)
Income Earned	8,870	9,021
Fees	<u>(3,198)</u>	<u>(3,179)</u>
Ending Balance	<u>\$ 417,539</u>	<u>\$ 398,415</u>

*Indicates investments held and managed by Regions Morgan Keegan. Fees charged in 2016 and 2015 were \$3,198 and \$3,179, respectively.

NOTE D– DONATED MATERIALS AND SERVICES

Donated materials and services are recorded in the financial statements at their estimated fair values at the date of receipt. No amounts have been reflected in these financial statements for the donated services of a substantial number of volunteers that have donated significant amounts of time to assist in the operations of the United Way of East Central Alabama, Inc. because no objective basis is available to measure the value of such services.

NOTE E- DUE FROM COMBINED FEDERAL CAMPAIGN

Combined Federal Campaign receivables represent money paid to the United Way of East Central Alabama, Inc. as reimbursement for campaign expenses. Income is recognized when the expenses are incurred. A receivable has been recorded for the money owed to the United Way of East Central Alabama, Inc. for 2015 and 2014 expenses, and money received is recorded against the receivables. The amount due from CFC at December 31, 2016 and 2015 was \$40,753 and \$45,168, respectively.

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE F – PLEDGES RECEIVABLE

Pledges receivable are expected to be collected within one year. Pledges receivable consist of following:

December 31, 2016

Pledges Receivable- 2016 Campaign	\$ 925,665
Less collections	(777,894)
Less shrinkage	(69,289)
Net Pledges Receivable - 2016	<u>78,482</u>
 Pledges- 2017 Campaign	 518,091
Less collections	(85,704)
Less shrinkage	(19,130)
Net Pledges Receivable-2017	<u>413,258</u>
Total Net Pledges Receivable	<u>\$ 491,740</u>

December 31, 2015

Pledges Receivable- 2015 Campaign	\$ 921,345
Less collections	(751,023)
Less shrinkage	(86,168)
Net Pledges Receivable - 2015	<u>84,154</u>
 Pledges- 2016 Campaign	 526,957
Less collections	(100,356)
Less shrinkage	(34,095)
Net Pledges Receivable-2016	<u>392,506</u>
Total Net Pledges Receivable	<u>\$ 476,660</u>

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE G – PROPERTY AND EQUIPMENT

The summary of changes in property and equipment are as follows:

	Beginning Balance 12-31-15	Additions	Deletions	Ending Balance 12-31-16
Non-depreciable Assets				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Depreciable Assets				
Building & Improvements	279,463	-	-	279,463
Equipment	125,776	14,404	-	140,180
Total Depreciable Assets	405,239	14,404	-	419,643
Total Fixed Assets	505,239	14,404	-	519,643
Less Accum Depreciation	(213,231)	(15,421)	-	(228,652)
Property & Equipment, Net	\$ 292,007	\$ (1,015)	\$ -	\$ 290,992

	Beginning Balance 12-31-14	Additions	Deletions	Ending Balance 12-31-15
Non-depreciable Assets				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Depreciable Assets				
Building & Improvements	237,803	41,660	-	279,463
Equipment	117,893	7,883	-	125,776
Total Depreciable Assets	355,696	49,543	-	405,239
Total Fixed Assets	455,696	49,543	-	505,239
Less Accum Depreciation	(198,909)	(14,322)	-	(213,231)
Property & Equipment, Net	\$ 256,787	\$ 35,221	\$ -	\$ 292,007

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE G – PROPERTY AND EQUIPMENT – (Continued)

Depreciation expense for the years ended December 31, 2016 and 2015 was \$15,421 and \$14,322, respectively.

NOTE H – ACCOUNTS PAYABLE

Accounts payable consisted of amounts due to vendors. The balance at December 31, 2016 and 2015 was \$4,854 and \$1,267, respectively

NOTE I – COMPENSATION AND RELATED EXPENSES

Accrued compensation at December 31 consisted of following:

	2016	2015
Accrued vacation	\$ 8,420	\$ 5,388
Total	<u>\$ 8,420</u>	<u>\$ 5,388</u>

NOTE J- DEFINED CONTRIBUTION PENSION PLAN

United Way of East Central Alabama, Inc. is the plan administrator of a retirement plan covering employees 21 years of age or older having one year of full-time service. The basis for determining contributions is seven percent of the participant's regular annual salary. The Organization is currently funding 7% of gross salaries of participating employees. The expense recognized during 2016 and 2015 was \$16,590 and \$12,208, respectively.

NOTE K – ADVERTISING COSTS

The Organization expenses advertising costs as they are incurred. The Organization has no-response advertising costs. Advertising costs were \$5,186 and \$9,013 at December 31, 2016 and 2015, respectively.

NOTE L- CONTRIBUTED PROFESSIONAL SERVICES

During the year ended December 31, 2016 the Organization received professional computer services in the amount of \$2,120. These services consisted of 53 manual data backups and server updates. This amount has been reflected in the financial statements.

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE M- INSURANCE

Liability insurance coverage of \$1,000,000 for the officers, staff, Board of Directors and volunteers is carried from June 1, 2016 through June 1, 2017 with a deductible of \$500.

NOTE N – OPERATING LEASES

The Organization leases a digital postage meter system from Pitney Bowes Global Financial Services. The lease is for 60 months at \$190 per month. The lease commenced November 2013. The total amount paid on the lease for 2016 was \$2,280.

The Organization leases two Savin copiers through Wells Fargo Financial Leasing, Inc. The lease is for 63 months at \$217 per month. The lease commenced October 2015. The total amount paid on the lease for 2016 was \$2,604.

The following amounts are due for the remaining terms of the leases:

2017	\$4,884
2018	\$4,504
2019	\$2,604
2020	\$2,604

SUPPLEMENTAL INFORMATION

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - GENERAL PROGRAM SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2016

Program Services	Allocations and Agency Relations	Imagination Library	Combined Federal Campaign	Communication	Forever Fund	ASECCC	General
Advertising	\$ -	\$ -	\$ 53	\$ 4,979	\$ -	\$ -	\$ -
Agency allocations	-	-	-	-	-	-	422,160
Awards and grants	-	-	445	-	-	-	-
Conferences and education	937	-	2,631	-	-	-	-
Copies and printing	277	654	2,124	-	-	43	-
Depreciation	-	-	-	-	-	-	6,574
Disaster relief	-	-	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-	-	11,510
Equipment rental/service	5,606	-	-	-	-	-	-
Imagination library	-	70,544	-	1,400	-	-	-
Insurance	357	-	774	303	109	17	-
Insurance-employees	2,001	-	2,200	2,001	801	-	-
Miscellaneous/sponsorships	-	-	-	-	-	-	19,796
Office supplies	-	-	-	18	-	-	-
Payroll tax expense	1,537	-	1,657	1,946	455	192	-
Postage and shipping	71	357	174	-	-	40	-
Professional fees	1,710	570	3,150	1,330	570	-	-
Public relations	-	-	-	560	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-
Retirement	1,659	-	1,825	1,659	664	-	-
Salaries	20,367	-	21,203	25,565	6,085	2,431	-
Supplies	-	-	4,331	-	-	-	-
Travel	199	40	26	25	-	88	-
Utilities and telephone	-	-	50	360	-	190	-
Total	\$ 34,722	\$ 72,165	\$ 40,643	\$ 40,145	\$ 8,683	\$ 3,002	\$ 460,040

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - GENERAL PROGRAM SERVICES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

Program Services	Success by Six	Net Facility Operations	Planning	Randolph County	Voluntary Action Center	2016 Totals
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,033
Agency allocations	-	-	-	-	-	422,160
Awards and grants	-	-	-	30	639	1,114
Conferences and education	591	-	-	57	-	4,216
Copies and printing	2,580	-	-	1,047	106	6,832
Depreciation	-	8,847	-	-	-	15,421
Disaster relief	-	-	-	-	-	-
Dues and subscriptions	-	-	-	39	-	11,549
Equipment rental/service	-	-	-	-	300	7,306
Imagination library	-	-	-	-	-	70,544
Insurance	-	3,227	174	85	471	5,518
Insurance-employees	-	1,600	1,000	2,002	1,800	13,405
Miscellaneous/sponsorships	-	-	-	3,395	1,600	24,790
Office supplies	4,577	-	-	109	-	4,704
Payroll tax expense	-	1,229	682	761	1,223	9,682
Postage and shipping	-	-	-	201	256	1,100
Professional fees	-	-	1,140	1,140	1,330	10,940
Public relations	-	-	-	-	-	560
Repairs and maintenance	-	5,311	-	-	-	5,311
Retirement	-	1,327	830	1,658	1,493	11,115
Salaries	-	15,765	8,906	9,863	15,833	126,018
Supplies	-	-	-	-	4,622	8,953
Travel	99	-	-	461	10	948
Utilities and telephone	-	11,625	-	800	360	13,385
Total	\$ 7,846	\$ 48,932	\$ 12,732	\$ 21,649	\$ 30,044	\$ 780,602

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - GENERAL PROGRAM SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2015

Program Services	Allocations and Agency Relations	Imagination Library	Combined Federal Campaign	Communication	Forever Fund	ASECCC	General
Advertising	\$ -	\$ -	\$ 270	\$ 7,984	\$ -	\$ 532	\$ -
Agency allocations	-	-	-	-	-	-	430,756
Awards and grants	-	-	1,018	-	-	-	-
Conferences and education	1,260	-	1,545	-	-	12	-
Copies and printing	314	161	2,279	0	-	12	-
Depreciation	-	-	-	-	-	-	6,363
Disaster relief	-	-	-	-	-	-	6,159
Dues and subscriptions	-	-	-	-	-	-	9,945
Equipment rental/service	5,500	-	-	1,375	-	-	-
Imagination library	-	73,415	-	-	-	-	-
Insurance	369	-	792	307	112	17	-
Insurance-employees	1,650	-	1,815	1,650	660	-	-
Miscellaneous/sponsorships	-	-	-	600	-	-	26,962
Office supplies	305	-	-	17	-	-	-
Payroll tax expense	1,503	-	1,620	1,872	440	186	-
Postage and shipping	95	550	242	-	-	28	-
Professional fees	1,697	908	2,850	1,319	908	-	-
Public relations	-	-	-	570	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-
Retirement	1,221	-	1,343	1,221	488	-	-
Salaries	19,532	-	20,278	24,113	5,795	2,310	-
Supplies	-	-	11,136	-	-	-	-
Travel	147	39	40	12	-	130	-
Utilities and telephone	-	-	49	390	-	190	-
Total	\$ 33,593	\$ 75,073	\$ 45,277	\$ 41,431	\$ 8,404	\$ 3,416	\$ 480,186

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - GENERAL PROGRAM SERVICES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Program Services	Success by Six	Net Facility Operations	Planning	Randolph County	Voluntary Action Center	2015 Totals
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,786
Agency allocations	-	-	-	-	-	430,756
Awards and grants	-	-	-	130	305	1,452
Conferences and education	269	-	-	72	-	3,158
Copies and printing	2,639	-	-	955	10	6,370
Depreciation	-	7,959	-	-	-	14,322
Disaster relief	-	-	-	-	-	6,159
Dues and subscriptions	-	-	-	39	-	9,984
Equipment rental/service	-	45	-	-	895	7,815
Imagination library	-	-	-	-	-	73,415
Insurance	-	3,227	180	85	491	5,582
Insurance-employees	-	1,320	825	1,650	1,485	11,057
Miscellaneous/sponsorships	-	-	-	4,000	300	31,862
Office supplies	1,826	-	-	128	-	2,277
Payroll tax expense	-	1,301	653	739	1,140	9,455
Postage and shipping	39	-	-	344	223	1,520
Professional fees	-	-	1,131	1,131	1,320	11,264
Public relations	-	-	-	-	-	570
Repairs and maintenance	-	3,509	-	-	-	3,509
Retirement	-	977	610	1,220	1,099	8,179
Salaries	-	16,378	8,345	9,392	14,397	120,540
Supplies	-	-	-	-	-	11,136
Travel	95	-	-	656	5	1,124
Utilities and telephone	-	11,588	-	950	-	13,167
Total	\$ 4,868	\$ 46,303	\$ 11,745	\$ 21,493	\$ 21,671	\$ 793,459

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - GENERAL SUPPORTING SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Management and General</u>	<u>Fundraising</u>	<u>2016 Totals</u>
SUPPORTING SERVICES			
Account coordinator expense	\$ -	\$ 2,429	\$ 2,429
Advertising	-	153	153
Awards and grants	-	231	231
Bank charges	5,331	-	5,331
Conferences and education	1,677	2,250	3,927
Copies and printing	2,273	4,776	7,049
Dues and subscriptions	2,147	-	2,147
Equipment rental/service	6,995	-	6,995
Insurance	950	930	1,880
Insurance-employees	3,801	2,801	6,602
Office supplies	5,046	1,447	6,493
Payroll tax expense	2,768	2,165	4,933
Postage and shipping	1,090	1,184	2,274
Professional fees	6,680	4,750	11,430
Retirement	2,986	2,489	5,475
Salaries	39,990	27,912	67,902
Travel	814	1,817	2,630
Utilities and telephone	3,794	482	4,276
Total	<u>\$ 86,341</u>	<u>\$ 55,815</u>	<u>\$ 142,156</u>

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - GENERAL SUPPORTING SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Management and General</u>	<u>Fundraising</u>	<u>2015 Totals</u>
SUPPORTING SERVICES			
Account coordinator expense	\$ -	\$ 3,576	\$ 3,576
Advertising	71	156	227
Awards and grants	-	1,583	1,583
Bank charges	4,647	-	4,647
Conferences and education	1,042	598	1,640
Copies and printing	3,076	6,521	9,596
Dues and subscriptions	1,955	-	1,955
Equipment rental/service	6,174	-	6,174
Insurance	996	937	1,933
Insurance-employees	3,136	2,311	5,446
Office supplies	5,614	4,203	9,817
Payroll tax expense	2,706	2,113	4,819
Postage and shipping	1,730	1,624	3,354
Professional fees	4,524	4,712	9,236
Retirement	2,197	1,831	4,029
Salaries	33,891	26,637	60,527
Travel	712	2,017	2,729
Utilities and telephone	3,454	380	3,834
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 75,925</u>	<u>\$ 59,197</u>	<u>\$ 135,122</u>

**UNITED WAY OF EAST CENTRAL ALABAMA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - ASECCC
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Supporting Service</u>	<u>Program Services</u>	<u>2016 Totals</u>
SUPPORTING SERVICES			
Agency allocations	\$ -	\$ 6,341	\$ 6,341
Bank charges	-	-	-
Miscellaneous/sponsorships	-	3,416	3,416
	<hr/>	<hr/>	<hr/>
Total	<u>\$ -</u>	<u>\$ 9,757</u>	<u>\$ 9,757</u>

**UNITED WAY OF EAST CENTRAL ALABAMA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - ASECCC
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Supporting Services</u>	<u>Program Services</u>	<u>2015 Totals</u>
SUPPORTING SERVICES			
Agency allocations	\$ -	\$ 6,379	\$ 6,379
Bank charges	55	-	55
Miscellaneous/sponsorships	-	3,240	3,240
	<u>-</u>	<u>3,240</u>	<u>3,240</u>
Total	<u>\$ 55</u>	<u>\$ 9,619</u>	<u>\$ 9,674</u>

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
SCHEDULE OF AGENCY ALLOCATIONS - GENERAL PROGRAM SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Cleburne County</u>	<u>General</u>	<u>Randolph County</u>	<u>2016 Total</u>
2nd Chance	\$ -	\$ 15,799	\$ -	\$ 15,799
American Red Cross	-	11,543	6,000	17,543
Anniston Soup Bowl	-	4,588	-	4,588
Big Brothers/Big Sisters	-	5,968	-	5,968
Boy Scouts	-	3,842	1,500	5,342
Boys & Girls Clubs	-	15,877	7,500	23,377
Calhoun/Cleburne Children's Center	-	23,482	-	23,482
Children's Services	-	43,000	-	43,000
Community Enabler Developer	-	18,000	-	18,000
Community Foundation Standards for Ex	-	-	-	-
Family Links	-	5,458	-	5,458
Family Service Center	-	4,027	-	4,027
Girl Scouts	-	4,515	1,190	5,705
H.E.A.R.T.S.	-	1,913	-	1,913
Interfaith Ministries	-	55,000	-	55,000
Jacksonville Meals on Wheels	-	12,887	-	12,887
Other United Ways	-	7,192	-	7,192
Piedmont Benevolence Center	-	37,800	-	37,800
Randolph Co. 4-H Clubs	-	-	4,000	4,000
Randolph Co. Learning Center	-	-	5,000	5,000
Randolph Co. Rescue Squad	-	-	2,500	2,500
Reaching Out International	-	4,023	5,000	9,023
Salvation Army	-	11,918	-	11,918
Salvation Army-Women's Shelter	-	6,106	-	6,106
The ARC of Calhoun County	-	13,762	-	13,762
The Leaning Tree	-	12,670	-	12,670
Tri-County Children's Advocacy Center	-	-	8,500	8,500
United Way of Etowah County (211)	-	30,000	-	30,000
Wedowee Senior Center	-	-	3,300	3,300
Woodland Community Center	-	-	3,300	3,300
YMCA	-	25,000	-	25,000
Total Agency Allocations	<u>\$ -</u>	<u>\$ 374,370</u>	<u>\$ 47,790</u>	<u>\$ 422,160</u>

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
SCHEDULE OF AGENCY ALLOCATIONS - GENERAL PROGRAM SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Cleburne County</u>	<u>General</u>	<u>Randolph County</u>	<u>2015 Total</u>
2nd Chance	\$ -	\$ 16,000	\$ -	\$ 16,000
American Red Cross	-	12,000	6,000	18,000
Anniston Soup Bowl	-	5,500	-	5,500
Big Brothers/Big Sisters	-	5,000	-	5,000
Boy Scouts	-	3,000	1,000	4,000
Boys & Girls Clubs	-	31,000	7,500	38,500
Calhoun/Cleburne Children's Center	-	28,000	-	28,000
Children's Services	-	43,000	-	43,000
Community Enabler Developer	-	18,000	-	18,000
Community Foundation Standards for Ex	-	1,275	-	1,275
Family Links	-	8,000	-	8,000
Family Service Center	-	2,416	-	2,416
Girl Scouts	-	2,000	1,000	3,000
H.E.A.R.T.S.	-	2,878	-	2,878
Interfaith Ministries	-	55,000	-	55,000
Jacksonville Meals on Wheels	-	8,828	-	8,828
Other United Ways	-	7,259	-	7,259
Piedmont Benevolence Center	-	37,800	-	37,800
Randolph Co. 4-H Clubs	-	-	3,000	3,000
Randolph Co. Learning Center	-	-	5,000	5,000
Randolph Co. Rescue Squad	-	-	2,500	2,500
Reaching Out International	-	-	4,000	4,000
Salvation Army	-	14,500	-	14,500
Salvation Army-Women's Shelter	-	5,000	-	5,000
The ARC of Calhoun County	-	7,500	-	7,500
The Learning Tree	-	17,000	-	17,000
Tri-County Children's Advocacy Center	-	-	8,500	8,500
United Way of Etowah County (211)	-	30,000	-	30,000
Wedowee Senior Center	-	-	3,300	3,300
Woodland Community Center	-	-	3,000	3,000
YMCA	-	25,000	-	25,000
Total Agency Allocations	<u>\$ -</u>	<u>\$ 385,956</u>	<u>\$ 44,800</u>	<u>\$ 430,756</u>

ADDITIONAL INFORMATION

UNITED WAY OF EAST CENTRAL ALABAMA, INC.
BOARD OF DIRECTORS
EXECUTIVE COMMITTEE
2016

Tommie Goggans, III	Chair
Becky Cox	Vice Chair
Christianne Houston	Immediate Past Chairman
J.W. Swift	Community Investment Chair
Jonathan Mosley	Treasurer
Kelly Latta	Secretary
Shannon Jenkins	President/CEO