

**UNITED WAY OF SAN JOAQUIN COUNTY**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2012 AND 2011**

**CROCE & COMPANY**

Accountancy Corporation



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# CROCE & COMPANY

Accountancy Corporation

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## Independent Auditors' Report

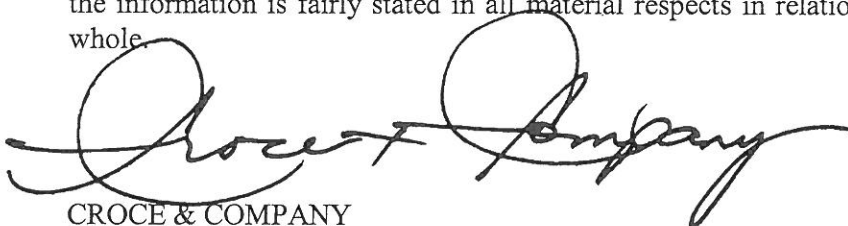
Board of Directors  
**United Way of San Joaquin County**  
Stockton, California

We have audited the accompanying statements of financial position of **United Way of San Joaquin County** (a California Nonprofit Corporation) as of June 30, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the management of **United Way of San Joaquin County**. 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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 **United Way of San Joaquin County** as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information on pages 16 and 17 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 audits 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



CROCE & COMPANY  
Accountancy Corporation  
Stockton, California  
February 8, 2013

UNITED WAY OF SAN JOAQUIN COUNTY

Statements of Financial Position

June 30,

**Assets**

	<u>2012</u>	<u>2011</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,056,590	\$ 918,195
Certificate of deposit	100,000	100,000
Accounts receivable	24,810	9,948
Pledges receivable, net of allowance for uncollectible pledges	886,213	969,595
Prepaid expenses	<u>6,528</u>	<u>19,136</u>
Total current assets	<u>2,074,141</u>	<u>2,016,874</u>
<b>Property and equipment, at cost</b>	347,159	396,169
Less accumulated depreciation	<u>(175,639)</u>	<u>(211,423)</u>
	<u>171,520</u>	<u>184,746</u>
Total assets	<u>\$ 2,245,661</u>	<u>\$ 2,201,620</u>

**Liabilities and Net Assets**

<b>Current liabilities</b>		
Accounts payable	\$ 5,265	\$ 3,886
Accounts payable – related party	13,446	16,977
Deferred income	2,414	150
Accrued liabilities	35,347	30,288
Allocations payable	448,500	523,500
Designations payable	1,188,036	1,149,818
Current portion of capital lease obligation	<u>1,506</u>	<u>6,020</u>
Total current liabilities	1,694,514	1,730,639
<b>Noncurrent liabilities</b>		
Capital lease obligation	<u>-</u>	<u>1,004</u>
Total liabilities	<u>1,694,514</u>	<u>1,731,643</u>
<b>Net assets</b>		
Unrestricted net assets		
Invested in fixed assets	170,014	177,722
Undesignated	<u>381,133</u>	<u>292,255</u>
Total net assets	<u>551,147</u>	<u>469,977</u>
Total liabilities and net assets	<u>\$ 2,245,661</u>	<u>\$ 2,201,620</u>

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

UNITED WAY OF SAN JOAQUIN COUNTY

**Statements of Activities**

Years ended June 30,

	<u>2012</u>	<u>2011</u>
<b>Support and Revenues</b>		
<b>Public support</b>		
Campaign results		
Employee	\$ 2,086,577	\$ 2,096,893
Corporate	472,973	541,096
Alexis de Tocqueville Society	298,000	428,499
Corporate care	<u>57,900</u>	<u>66,571</u>
Gross contributions	2,915,450	3,133,059
Donor designations	(1,711,553)	(1,834,534)
Provisions for uncollectible pledges	<u>(107,242)</u>	<u>(107,871)</u>
Total contributions	1,096,655	1,190,654
Other support		
Fundraising	19,299	31,420
Special events – net of expenses of 102,067 and \$64,720	<u>41,410</u>	<u>59,558</u>
Total public support	<u>1,157,364</u>	<u>1,281,632</u>
<b>Other revenue</b>		
Gain (loss) on sale of investment	(20)	884
Interest income	681	933
Grant income	40,000	10,000
Service fees	131,804	136,711
Administrative fees	<u>33,966</u>	<u>27,647</u>
Total other revenue	<u>206,431</u>	<u>176,175</u>
Total support and revenue	<u>\$ 1,363,795</u>	<u>\$ 1,457,807</u>

(Continued)

**UNITED WAY OF SAN JOAQUIN COUNTY**

**Statements of Activities (Continued)**

Years ended June 30,

	<u>2012</u>	<u>2011</u>
	<b>Expenses</b>	
<b>Program services</b>		
Allocations and designations		
Allocations and designations	\$ 2,220,301	\$ 2,446,643
Less donor designations	<u>(1,711,553)</u>	<u>(1,834,534)</u>
Net allocations and designations	<u>508,748</u>	<u>612,109</u>
Resource distributions	<u>173,383</u>	<u>169,430</u>
Total program services	<u>682,131</u>	<u>781,539</u>
<b>Supporting services</b>		
Resource development	340,018	395,050
Operating	226,477	264,077
Fundraising	5,202	28,056
United Way of America dues	<u>28,797</u>	<u>33,953</u>
Total support services	<u>600,494</u>	<u>721,136</u>
Total expenses	<u>1,282,625</u>	<u>1,502,675</u>
<b>Change in net assets</b>	81,170	(44,868)
<b>Net assets, beginning of year</b>	<u>469,977</u>	<u>514,845</u>
<b>Net assets, end of year</b>	<u>\$ 551,147</u>	<u>\$ 469,977</u>

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

**UNITED WAY OF SAN JOAQUIN COUNTY**

**Statements of Functional Expenses**

Year ended June 30, 2012

	Program services		Supporting services				Total supporting services	Total	
	Allocation and designation	Resource distribution	Total program services	Resource development	Operating	Fundraising			United Way of America dues
Salaries	\$ -	\$ 57,767	\$ 57,767	\$ 101,029	\$ 95,684	\$ -	\$ -	\$ 196,713	\$ 254,480
Loan exec salaries	-	-	-	12,912	-	-	-	12,912	12,912
Employee benefits	-	27,451	27,451	48,008	45,469	-	-	93,477	120,928
Payroll taxes	-	4,491	4,491	7,854	7,438	-	-	15,292	19,783
Other employee expenses	-	1,786	1,786	3,123	2,958	-	-	6,081	7,867
Total salaries and related expenses	-	91,495	91,495	172,926	151,549	-	-	324,475	415,970
Advertising	-	-	-	14,360	-	-	-	14,360	14,360
Allocation and designation	508,748	-	508,748	-	-	-	-	-	508,748
Equipment rental and maintenance	-	4,870	4,870	8,516	8,066	-	-	16,582	21,452
Fundraising expenses	-	-	-	-	-	5,202	-	5,202	5,202
Grant expense	-	36,653	36,653	-	-	-	-	-	36,653
Miscellaneous	-	701	701	1,229	1,164	-	-	2,393	3,094
Insurance	-	1,545	1,545	2,701	2,558	-	-	5,259	6,804
Occupancy	-	6,882	6,882	12,036	11,400	-	-	23,436	30,318
Periodicals	-	91	91	160	152	-	-	312	403
Postage and shipping	-	1,084	1,084	1,896	1,795	-	-	3,691	4,775
Professional service	-	21,469	21,469	37,547	35,561	-	-	73,108	94,577
Supplies	-	2,896	2,896	38,643	4,796	-	-	43,439	46,335
Telephone	-	1,697	1,697	2,968	2,811	-	-	5,779	7,476
Travel expense	-	516	516	903	855	-	-	1,758	2,274
Community events	-	-	-	18,047	-	-	-	18,047	18,047
Membership dues	-	-	-	2,936	-	-	-	2,936	2,936
Sponsorship fees	-	-	-	19,058	-	-	-	19,058	19,058
United Way of America dues	-	-	-	-	-	-	28,797	28,797	28,797
Total functional expenses before depreciation	508,748	169,899	678,647	333,926	220,707	5,202	28,797	588,632	1,267,279
Depreciation	-	3,484	3,484	6,092	5,770	-	-	11,862	15,346
Total functional expenses	\$ 508,748	\$ 173,383	\$ 682,131	\$ 340,018	\$ 226,477	\$ 5,202	\$ 28,797	\$ 600,494	\$ 1,282,625

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

**UNITED WAY OF SAN JOAQUIN COUNTY**

**Statements of Functional Expenses**

Year ended June 30, 2011

	Program services			Supporting services				Total
	Allocation and designation	Resource distribution	Total program services	Resource development	Operating	Fundraising	United Way of America dues	
Salaries	\$ -	\$ 69,094	\$ 69,094	\$ 120,838	\$ 114,446	\$ -	\$ -	\$ 235,284
Loan exec salaries	-	-	-	12,421	-	-	-	12,421
Wages - Vacation	-	-	-	12,140	-	-	-	12,140
Employee benefits	-	34,266	34,266	59,929	56,757	-	-	116,686
Payroll taxes	-	5,650	5,650	9,880	9,358	-	-	19,238
Other employee expenses	-	2,894	2,894	5,061	4,794	-	-	9,855
Total salaries and related expenses	-	111,904	111,904	220,269	185,355	-	-	405,624
Advertising	-	-	-	17,405	-	-	-	17,405
Allocation and designation	612,109	-	612,109	-	-	-	-	612,109
Equipment rental and maintenance	-	5,393	5,393	9,431	8,932	-	-	18,363
Fundraising expenses	-	-	-	-	-	28,056	-	28,056
Grant expense	-	10,000	10,000	-	-	-	-	10,000
Miscellaneous	-	2,062	2,062	3,607	3,416	-	-	7,023
Insurance	-	1,806	1,806	3,159	2,992	-	-	6,151
Occupancy	-	7,918	7,918	13,848	13,116	-	-	26,964
Periodicals	-	132	132	232	220	-	-	452
Postage and shipping	-	848	848	1,483	1,404	-	-	2,887
Professional service	-	19,904	19,904	34,809	32,968	-	-	67,777
Supplies	-	2,954	2,954	30,454	4,892	-	-	35,346
Telephone	-	2,258	2,258	3,951	3,742	-	-	7,693
Training expense	-	61	61	106	101	-	-	207
Travel expense	-	227	227	397	376	-	-	773
Community events	-	-	-	7,717	-	-	-	7,717
Membership dues	-	-	-	10,360	-	-	-	10,360
Sponsorship fees	-	-	-	30,892	-	-	-	30,892
United Way of America dues	-	-	-	-	-	-	33,953	33,953
Total functional expenses before depreciation	612,109	165,467	777,576	388,120	257,514	28,056	33,953	707,643
Depreciation	-	3,963	3,963	6,930	6,563	-	-	13,493
Total functional expenses	\$ 612,109	\$ 169,430	\$ 781,539	\$ 395,050	\$ 264,077	\$ 28,056	\$ 33,953	\$ 721,136

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



UNITED WAY OF SAN JOAQUIN COUNTY

Statements of Cash Flows

Years ended June 30,

	<u>2012</u>	<u>2011</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 81,170	\$ (44,868)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	15,346	17,456
Donated property and equipment	-	(1,000)
(Increase) decrease in operating assets:		
Accounts receivable	(14,862)	(9,948)
Pledges receivable, net	83,382	54,055
Prepaid expenses	12,608	844
Increase (decrease) in operating liabilities:		
Accounts payable	(2,152)	4,317
Deferred income	2,264	(2,950)
Accrued liabilities	5,059	2,210
Allocations payable	(75,000)	(167,500)
Designations payable	<u>38,218</u>	<u>(166,668)</u>
Net cash provided by (used in) operating activities	<u>146,033</u>	<u>(314,052)</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	<u>(2,120)</u>	<u>(39,152)</u>
Net cash used in investing activities	<u>(2,120)</u>	<u>(39,152)</u>
<b>Cash flows from financing activities</b>		
Payments on capital lease obligation	<u>(5,518)</u>	<u>(6,521)</u>
Net cash used in financing activities	<u>(5,518)</u>	<u>(6,521)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	138,395	(359,725)
<b>Cash and cash equivalents, beginning of year</b>	<u>918,195</u>	<u>1,277,920</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,056,590</u>	<u>\$ 918,195</u>

**Supplemental schedule of noncash investing and financing activities:**

The Organization acquired \$1,000 of property and equipment through donation during the year ended June 30, 2011.

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

# UNITED WAY OF SAN JOAQUIN COUNTY

## Notes to Financial Statements

June 30, 2012 and 2011

### Note A – Summary of Significant Accounting Policies

This summary of significant accounting policies of United Way of San Joaquin County is presented to assist in understanding the Organization's financial statements.

#### Operations

The United Way of San Joaquin County (the Organization), is a California non-profit corporation, founded in 1926 and governed by a volunteer Board of Directors. The Organization's main purpose includes assessing on a continual basis, the community's need for human services, developing financial resources to meet human service needs of the community, maximizing resources available to agencies for services aimed at the most urgent current needs of the community, developing community support for the entire Organization through a systematic communications program which both speaks and listens to the community, managing the Organization's operations effectively, and offering assistance to agencies wishing to improve their management skills, and financially managing and disbursing resources in accordance with the directions and intent of donors, or, in the absence of directions, as the Organization may deem best for the promotion of any or all of the foregoing purposes.

#### Organizational mission statement

The mission of United Way of San Joaquin County is to improve the lives of people by mobilizing the caring power of communities.

United Way of San Joaquin County envisions a community where the generosity of individuals and business is coupled with the services provided by community organizations to improve people's lives.

#### Basis of accounting

The financial statements of United Way of San Joaquin County have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

#### Basis of presentation

The Organization prepares its financial statements in accordance with the American Institute of Certified Public Accountants *Audit and Accounting Guide for Not-for-Profit Organizations* (Audit Guide). Under the Audit Guide, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

(Continued)

# UNITED WAY OF SAN JOAQUIN COUNTY

## Notes to Financial Statements

June 30, 2012 and 2011

### Note A – Summary of Significant Accounting Policies (Continued)

*Unrestricted net assets* – Net assets that are not subject to donor-imposed restrictions and are related to the operation and management of the Organization’s primary programs and supporting services.

*Temporarily restricted net assets* – Net assets subject to donor-imposed restrictions 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 June 30, 2012 and 2011, the Organization did not have any assets that are subject to donor-restrictions that require the assets to be temporarily restricted.

*Permanently restricted net assets* – Net assets subject to donor-imposed restrictions 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 any related investments for general or specific purposes. As of June 30, 2012 and 2011, the Organization did not have any assets that are subject to donor-restrictions that require the assets to be maintained permanently.

#### Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

#### Campaign pledges

An annual fundraising campaign is conducted each fall to obtain donations and pledges to fund the subsequent year’s operations. Accordingly, a receivable is recorded at year-end for outstanding campaign pledges with an allowance for amounts estimated to be uncollectible. Substantially all of the pledges receivable at June 30, 2012 and 2011 are from corporations and individuals.

Donor designated pledges are accounted for as a liability until dispensed to the designated agency. Those amounts are not accounted for as revenue by United Way of San Joaquin County but are reported as part of campaign revenue from which the amounts are then deducted to arrive at total contributions.

#### Property and equipment

Purchases of property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. It is the Organization’s policy to capitalize expenditures for these items in excess of \$500. Lesser amounts are expensed. Depreciation of property and equipment is provided on the straight-line method over the estimated useful lives of the assets ranging from 5 to 39 years.

(Continued)

# UNITED WAY OF SAN JOAQUIN COUNTY

## Notes to Financial Statements

June 30, 2012 and 2011

### Note A – Summary of Significant Accounting Policies (Continued)

Repairs and maintenance items are expensed during the current year unless they significantly increase the life of the asset.

#### Fair value of financial instruments

The carrying amounts of financial instruments, including cash, certificate of deposits, accounts receivable and accounts payable approximate their fair value due to the short-term maturities of these instruments.

#### Contributions

As required by the *Accounting for Contributions Received and Contributions Made* topic of the FASB Accounting Standards Codification, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending upon the existence or nature of any donor restrictions.

Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Contributions of cash and other assets are reported as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

#### Functional expenses

The costs of programs and supporting services have been reported on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated by function between program and supporting services classifications on the basis of cost allocations using actual time worked in each program and on estimates made by the Organization's management.

#### Donated goods and services

Donated materials and equipment are reflected as contributions in the financial statements at their estimated fair value at date of receipt. Contributions of services are recorded at estimated fair value if the services received create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation. A substantial number of unpaid volunteers contributed significant amounts of their time to further the objectives of the Organization, principally in the annual fund-raising campaign and fund allocations process. The value of this contributed time is not reflected in the statements since no objective basis is available to measure the value of such services.

(Continued)

# UNITED WAY OF SAN JOAQUIN COUNTY

## Notes to Financial Statements

June 30, 2012 and 2011

### Note A – Summary of Significant Accounting Policies (Continued)

#### Concentrations of credit risk

During the years ended June 30, 2012 and 2011, the Organization maintained cash deposits in excess of the Federal Deposit Insurance Corporation (FDIC) insured amounts in certain financial institutions. Cash deposits in excess of the FDIC insured amounts in separate named accounts within one institution may represent a credit risk.

As of June 30, 2012 and 2011, total deposits in excess of the FDIC limits were \$285,324 and \$194,429, respectively.

United Way of San Joaquin County is dependent upon contributions from corporate and individual donors to support its program services. The level of such contributions can be affected by economic conditions. In addition, the choice on the part of some donors to designate their gifts to specific agencies can result in reduced funding available for distributions and allocations. A decrease in undesignated contributions could adversely affect the United Way's ability to provide services and to allocate funds to its designated agencies.

#### Long-lived assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

#### Income taxes

The Organization is classified as a Section 501(c)(3) organization under the Federal Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code in accordance with its determination letter dated October 13, 1971. Accordingly, the Organization has been determined to be exempt from federal income and state franchise taxes.

The tax years June 30, 2010 through 2012 remain subject to examination by the United States federal jurisdiction and the tax years June 30, 2009 through 2012 remain subject to examination by the State of California jurisdiction, as the statute of limitations is still open.

#### 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(Continued)

UNITED WAY OF SAN JOAQUIN COUNTY

**Notes to Financial Statements**

June 30, 2012 and 2011

**Note A – Summary of Significant Accounting Policies (Continued)**

*Subsequent events*

Management has evaluated subsequent events through February 8, 2013, the date on which the financial statements were available to be issued.

**Note B – Fair Value of Financial Instruments**

The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

Cash and cash equivalents – The carrying amount reported in the statement of financial position approximates fair value because of the short maturity of those instruments.

Pledges receivable – The fair value of pledges receivable is estimated by discounting the future cash flows by the amount of allowance for doubtful pledges.

The estimated fair value of the Organization’s financial instruments is as follows at June 30:

	2012		2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents	\$ 1,056,590	\$ 1,056,590	\$ 918,195	\$ 918,195
Certificate of deposit	100,000	100,000	100,000	100,000
Pledges receivable	886,213	886,213	969,595	969,595

**Note C – Pledges Receivable and Allowance for Doubtful Accounts**

Pledges less an allowance for uncollectible amounts and pledges for support of current operations are recorded as pledge receivables in the fiscal year made. The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on a percentage of the total campaign year pledges. For the year ended June 30, 2012 and 2011, all pledges receivable were due within one year.

The pledges per campaign year are shown in the following table at June 30:

	2012	2011
Pledges receivable	\$ 993,455	\$ 1,077,466
Allowance for uncollectible pledges	(107,242)	(107,871)
Net pledges receivable	\$ 886,213	\$ 969,595

# UNITED WAY OF SAN JOAQUIN COUNTY

## Notes to Financial Statements

June 30, 2012 and 2011

### Note D – Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2012</u>	<u>2011</u>
Land	\$ 27,500	\$ 27,500
Building	190,932	190,932
Furniture and equipment	<u>128,727</u>	<u>177,737</u>
	347,159	396,169
Less accumulated depreciation	<u>(175,639)</u>	<u>(211,423)</u>
Total	<u>\$ 171,520</u>	<u>\$ 184,746</u>

### Note E – Designations Payable

Designations payable are pledges which are pledged to specific agencies. The income and expense related to the designations are not recognized by the Organization. For the year ended June 30, 2012 and 2011, all designations payable were due within one year.

### Note F – Allocations Payable

Annual campaigns are conducted to raise support for allocation to participating agencies. Based upon the results of the annual fund-raising campaign, allocation committees make recommendations to the Board of Directors as to the amount of allocations each agency should receive from undesignated pledges. Allocations approved by the Board to agencies for the year ended June 30, 2012 were \$448,500, with \$35,000 in prior year allocations remaining to be paid. For the year ended June 30, 2011, allocations approved by the Board to agencies were \$523,500, with no prior year allocations remaining to be paid.

Allocations payable are promises to give to local nonprofit agencies, which will be given to the agency upon compliance with certain provisions in the applications. The allocations are recognized as an expense in the period the allocations are made. For the years ended June 30, 2012 and 2011, all allocations payable were due within one year.

### Note G – Retirement Plan

The Organization has a 403(b) thrift pension plan. Under the terms of this plan, the Organization will make an employer-based contribution of 8% of the eligible participant's salary. The Organization will make an additional dollar for dollar matching contribution for each eligible participant who makes a voluntary contribution to the plan, not to exceed 2% of the participant's monthly salary. The Organization's contribution for the year ended June 30, 2012 and 2011 was \$24,777 and \$30,517, respectively.

# UNITED WAY OF SAN JOAQUIN COUNTY

## Notes to Financial Statements

June 30, 2012 and 2011

### Note H – Advertising

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expenses for the years ended June 30, 2012 and 2011 were \$14,360 and \$17,405, respectively.

### Note I – Emergency Food and Shelter Program

The Organization cooperates with the United Way of America and Emergency Food and Shelter Program (EFSP), by the allocation of certain funds provided by EFSP for food and shelter for the homeless. The Organization receives a fee for their advisory role in administering this program. For the years ended June 30, 2012 and 2011, the Organization received \$9,699 and \$9,948, respectively.

### Note J – Operating Leases

The Organization leases a copy machine under a five-year operating lease expiring April 2015. The following is a schedule of future minimum rental payments required under the above noncancelable operating lease:

<u>Year ending June 30,</u>		
2013	\$	10,130
2014		10,130
2015		<u>8,442</u>
	\$	<u>28,702</u>

Rental expense for the years ended June 30, 2012 and 2011 was \$10,001 and \$10,623, respectively.

### Note K – Capital Lease Obligation

The Organization leases office equipment under a capital lease which expires during September 2012. The following is an analysis of the leased property under a capital lease:

	<u>2012</u>	<u>2011</u>
Phone system	\$ 30,099	\$ 30,099
Less accumulated depreciation	<u>(30,099)</u>	<u>(24,079)</u>
	<u>\$ -</u>	<u>\$ 6,020</u>

(Continued)



UNITED WAY OF SAN JOAQUIN COUNTY

Notes to Financial Statements

June 30, 2012 and 2011

**Note K – Capital Lease Obligation (Continued)**

The following is a schedule by years of future minimum lease payments under a capital lease together with the present value of the net minimum payments as of June 30, 2012.

<u>Years ending June 30,</u>	
2013	\$ 1,506
Total minimum lease payments	1,506
Less amount representing interest	<u>-</u>
Present value of net minimum lease payments	1,506
Current capital lease obligation	<u>1,506</u>
Noncurrent capital lease obligation	<u>\$ -</u>

**Note L – Related Party Transactions**

Annually, the United Way of San Joaquin County renews membership with an affiliate. As part of the membership renewal, a membership investment must be made. The amount is calculated as a percentage of the prior year's campaign revenue. During the years ended June 30, 2012 and 2011, the Organization incurred and paid a membership investment of \$28,797 and \$33,953, respectively.

**SUPPLEMENTAL INFORMATION**

**UNITED WAY OF SAN JOAQUIN COUNTY**

**Schedule of Allocations Payable**

For the years ended June 30,

<u>Agency</u>	<u>Program</u>	<u>Amount Allocated</u>	
		<u>2012</u>	<u>2011</u>
American Cancer Society	Patient Services	\$ -	5,000
American Red Cross SJC	Safety Net	20,000	20,000
Assistance League of Stockton	Operation School Bell	20,000	20,000
Bethany Home	Ripon Senior Meal Program	5,000	-
Bring Me A Book	Read to Me, Stockton! Parent Training Initiative	5,000	-
Charterhouse Center of San Joaquin	Help Me Grow Help Me Learn	-	20,000
Child Abuse Prevention Council	First Step Children's Center	20,000	-
Children's Museum of Stockton	Multicultural Art Education for Children	5,000	-
Children's Museum of Stockton	Artistic Exploration Creativity for Children	-	5,000
Community Center for the Blind and Visually Impaired	Rehabilitation Services	20,000	-
Council for the Spanish Speaking Emergency Food Bank	Engaged Parents Supplemental Nutritional Food Access Program and Nutrition Programs	-	20,000
Emergency Food Bank	Supplemental Nutritional Food Bags and Nutrition	-	20,000
Haven of Peace	Resident Case Management	5,000	5,000
Jene Wah	Enhancing Senior Lifestyles	-	20,000
Junior League of San Joaquin	Ready to Learn Backpack Program	5,000	5,000
Lodi House	Hope for the Family	5,000	20,000
LOEL Center & Gardens	Congregate Meals and Services	-	20,000
Lord's Gym Sports & Learning Center of SJC	Lord's Gym Learning Center	5,000	-
Manteca Pregnancy Help Center	Earn While You Learn	-	5,000
Mary Graham Children's Shelter Foundation	Trade School and College Scholarship	20,000	20,000
Mediation Center of SJC	Family Communication Skill Workshop	5,000	-
One TLC School for Homeless Children Foundation	Mentor/Advocacy Counselor	5,000	5,000
Pregnancy Resource Center of Lodi	Medical Program	20,000	20,000

(Continued)

**UNITED WAY OF SAN JOAQUIN COUNTY**

**Schedule of Allocations Payable (Continued)**

For the years ended June 30,

<u>Agency</u>	<u>Program</u>	<u>Amount Allocated</u>	
		<u>2012</u>	<u>2011</u>
Recreational Sports Club of San Joaquin, Inc.	RSC Community Integration	5,000	-
SJ Junior Golf Foundation	Golf For Girls	5,000	-
SJC Housing Authority	Scholarship Foundation	5,000	-
Second Harvest Food Bank	Food 4 Thought	20,000	20,000
South County Crisis Center	Healthier Choices for Families	-	20,000
St. Mary's Interfaith Community Services	Case Management Program for Homeless Individuals	20,000	-
St. Paul's United Methodist Church	Food Pantry	-	5,000
Stockton Law Enforcement Chaplaincy	School Resource Chaplaincy Program	-	20,000
Stockton Shelter for the Homeless Sunhouse	Emergency Shelter	20,000	20,000
	Life Skills Training	-	5,000
Tracy Chamber Foundation	Hire Me First	-	20,000
Tracy D.A.R.E.	Educational Program	-	20,000
Tracy Interfaith Ministries	Food and Clothes Closet	20,000	20,000
University of the Pacific	Stockton Harmony Project	50,000	35,000
UOP Pharmacy & Health Services	Community Service Program	5,000	-
Women's Center of San Joaquin County	DAWN House Shelter Program	20,000	20,000
YMCA of SJC	High School Break Camp Enrichment Program	-	20,000
Lodi Community Council	Various	14,625	17,125
Stockton Community Council	Various	14,625	17,125
Manteca Community Council	Various	14,625	17,125
Tracy Community Council	Various	14,625	17,125
Previous year all allocations	Various	35,000	-
	<b>Total allocations payable</b>	<u>\$ 448,500</u>	<u>\$ 523,500</u>