

UNITED WAY OF SANTA CRUZ COUNTY
(A CALIFORNIA NONPROFIT CORPORATION)
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2013

UNITED WAY OF SANTA CRUZ COUNTY
(A CALIFORNIA NONPROFIT CORPORATION)

TABLE OF CONTENTS

JUNE 30, 2013

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-14
INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION	15
Statement of Activities Detail	16

WALTERS & KONDRASHEFF
CERTIFIED PUBLIC ACCOUNTANTS
1729 SEABRIGHT AVENUE SUITE B
SANTA CRUZ, CA 95062
TELEPHONE (831) 429-8617
FAX (831) 429-6537
www.waltersandkondrasheff.com

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
United Way of Santa Cruz County
Capitola, California

We have audited the accompanying financial statements of United Way of Santa Cruz County (a California nonprofit corporation) which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses and cash flows 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.

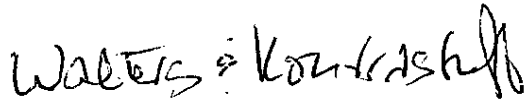
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Santa Cruz County as of June 30, 2013, 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.

A handwritten signature in black ink that reads "WALTERS & KONDRASHEFF". The signature is written in a cursive, somewhat stylized font.

Walters & Kondrasheff
Certified Public Accountants
Santa Cruz, California
January 10, 2014

UNITED WAY OF SANTA CRUZ COUNTY

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2013

	ASSETS			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
CURRENT ASSETS:				
Cash and Cash Equivalents (Note 3)	\$ 94,972	\$ 45,052	\$ -	\$ 140,024
Certificates of Deposit	-	518,911	5,000	523,911
Grants and Other Receivables	676,683	45,009	-	721,692
Pledges Receivable (Net of Allowance for Uncollectible Amounts of \$50,000)	348,328	-	-	348,328
Prepaid Expenses (Note 9)	35,848	-	-	35,848
	<u>1,155,831</u>	<u>608,972</u>	<u>5,000</u>	<u>1,769,803</u>
Total Current Assets				
PROPERTY AND EQUIPMENT, Net (Note 4)	<u>29,131</u>	<u>-</u>	<u>-</u>	<u>29,131</u>
OTHER ASSETS:				
Deposits	<u>5,780</u>	<u>-</u>	<u>-</u>	<u>5,780</u>
TOTAL ASSETS	<u><u>\$ 1,190,742</u></u>	<u><u>\$ 608,972</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 1,804,714</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 435,742	\$ -	\$ -	\$ 435,742
Allocations Payable	280,000	-	-	280,000
Designations Payable - Member and Non-Member	221,374	-	-	221,374
Deferred Exchange Transactions	<u>21,945</u>	<u>-</u>	<u>-</u>	<u>21,945</u>
Total Current Liabilities	<u>959,061</u>	<u>-</u>	<u>-</u>	<u>959,061</u>
 Net Assets (Notes 11 and 14)	 <u>231,681</u>	 <u>608,972</u>	 <u>5,000</u>	 <u>845,653</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,190,742</u></u>	<u><u>\$ 608,972</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 1,804,714</u></u>

See Accompanying Notes to Financial Statements

UNITED WAY OF SANTA CRUZ COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
PUBLIC SUPPORT:				
Campaign Support				
Annual Campaign	\$ 937,932	\$ -	\$ -	\$ 937,932
Less Donor Designations To Other Organizations	(221,374)	-	-	(221,374)
Less Donor Designations Paid by Others	(68,762)	-	-	(68,762)
Estimated Uncollectible Pledges	(27,726)	-	-	(27,726)
Net Campaign Support	<u>620,070</u>	<u>-</u>	<u>-</u>	<u>620,070</u>
OTHER PUBLIC SUPPORT AND REVENUE:				
Grants and Contracts	1,438,018	364,399	-	1,802,417
Community Projects and Miscellaneous Support	156,080	69,743	-	225,823
Foundation Grants	8,262	354,573	-	362,835
Special Fund Raising Events	93,405	-	-	93,405
Fees for Service	1,275	-	-	1,275
In-Kind Services	25,000	-	-	25,000
Net Assets Released - Family Service Association	40,000	(40,000)	-	-
Investment Income	694	7,044	-	7,738
Net Assets Released - Grants and Program	690,485	(690,485)	-	-
Total Other Public Support and Revenue	<u>2,453,219</u>	<u>65,274</u>	<u>-</u>	<u>2,518,493</u>
Total Support and Revenue	<u>3,073,289</u>	<u>65,274</u>	<u>-</u>	<u>3,138,563</u>
EXPENSES:				
Program Services	2,316,015	-	-	2,316,015
Supporting Services	733,584	-	-	733,584
Total Expenses	<u>3,049,599</u>	<u>-</u>	<u>-</u>	<u>3,049,599</u>
Change in Net Assets	<u>23,690</u>	<u>65,274</u>	<u>-</u>	<u>88,964</u>
NET ASSETS:				
Net Assets, Beginning of Year	204,575	361,833	5,000	571,408
Prior Period Adjustment (Note 11)	3,416	181,865	-	185,281
Net Assets, Beginning of Year, as Restated	<u>207,991</u>	<u>543,698</u>	<u>5,000</u>	<u>756,689</u>
Net Assets, End of Year	<u>\$ 231,681</u>	<u>\$ 608,972</u>	<u>\$ 5,000</u>	<u>\$ 845,653</u>

See Accompanying Notes to Financial Statements

UNITED WAY OF SANTA CRUZ COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	Programs			Supporting Services			Total	
	Community Programs/Grants	First 5 Of Santa Cruz County		Administration	Santa Cruz County	Fund Raising		Total Supporting Services
		Total Program						
Salaries	365,975	308,779	674,754	103,264	90,903	113,525	982,446	
Benefits and Payroll Taxes	120,142	117,321	237,463	52,091	37,768	36,709	364,031	
Total	486,117	426,100	912,217	155,355	128,671	150,234	1,346,477	
Professional Fees	251,200	285,319	536,519	29,505	39,404	7,484	612,912	
Allocations to Partner Programs	280,000	-	280,000	-	-	-	280,000	
Travel, Training, & Conferences	31,528	161,747	193,275	9,426	1,428	5,353	209,482	
Community Engagement & Stipends	18,665	144,044	162,709	-	-	-	162,709	
Supplies	34,975	38,792	73,767	16,783	8,837	9,815	109,202	
Occupancy	15,089	18,290	33,379	23,306	22,372	15,344	94,401	
Printing and Publications	40,094	1,659	41,753	400	707	50,901	93,761	
Family Service Association	40,000	-	40,000	-	-	-	40,000	
In-Kind Services	25,000	-	25,000	-	-	-	25,000	
Equipment Rental and Maintenance	2,360	4,089	6,449	5,868	3,839	2,773	18,929	
Membership Dues	987	174	1,161	7,646	3,735	5,014	17,556	
Telephone	1,935	2,480	4,415	3,865	2,958	2,576	13,814	
Postage and Shipping	4,332	889	5,221	2,243	661	2,047	10,172	
Depreciation	-	-	-	8,285	-	-	8,285	
Insurance	150	-	150	3,025	3,724	-	6,899	
Totals	\$ 1,232,432	\$ 1,083,583	\$ 2,316,015	\$ 265,707	\$ 216,336	\$ 251,541	\$ 3,049,599	

See Accompanying Notes to Financial Statements

UNITED WAY OF SANTA CRUZ COUNTY

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 88,964
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	8,285
(Increase) Decrease in:	
Pledges Receivable	99,056
Grants and Other Receivables	(226,120)
Prepaid Expenses and Deposits	(22,741)
Increase (Decrease) in:	
Accounts Payable and Accrued Expenses	231,117
Allocations Payable	(75,000)
Designations Payable	(99,275)
Deferred Exchange Transactions	<u>21,945</u>
Net Cash Provided by Operating Activities	<u>26,231</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of Certificates of Deposit	(7,623)
Redemptions of Certificates of Deposit	55,788
Acquisition of New Equipment	<u>(8,050)</u>
Net Cash Provided by Investing Activities	<u>40,115</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS	66,346
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>73,678</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 140,024</u></u>

See Accompanying Notes to Financial Statements

UNITED WAY OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 DESCRIPTION OF THE ENTITY:

United Way of Santa Cruz County is a nonprofit charitable relief organization that raises funds primarily from local individuals and businesses and distributes those funds to various social service agencies in Santa Cruz County. The Organization also convenes organizations and individuals to solve community problems and improve the quality of life for the residents of Santa Cruz County. The Organization also includes the operations of the United Way of San Benito County.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial Presentation

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) based upon the existence or absence of donor-imposed restrictions.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose 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 restriction.

Annual Campaign, Pledges Receivable, and Designations

The Organization conducts an annual campaign to raise funds to support various social service agencies in Santa Cruz and San Benito Counties. Pledges received from local individuals and businesses are recorded as revenue and a receivable upon receipt of the pledge, and an allowance is provided for amounts estimated as uncollectible. Included in these pledges are contributions designated by donors for other nonprofit organizations, for which the Organization serves as the primary fiscal agent in the solicitation and distribution of such pledges, net of related administrative fees. These pledges are included in campaign support and are deducted as donor designations to other organizations in the statement of activities to arrive at net campaign support.

UNITED WAY OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Continued):

Annual Campaign, Pledges Receivable, and Designations (Continued)

Also included in these pledges raised by the Organization are contributions designated for other nonprofit organizations by employee donors of certain companies. These companies distribute the designated funds directly to the other nonprofit organizations, net of related administrative fees. These pledges are also included in campaign support, and are deducted as donor designations paid by others in the Organization's statement of activities to arrive at net campaign support.

Allocations Expenses and Allocations Payable

Allocations are contributions from the Organization to member agencies. Allocations are made from unrestricted support raised by the annual campaign. Member agencies are selected on an annual basis by the governing board. Unconditional promises to give are reported as an expense upon notification of the promise.

The Organization mails out allocation letters prior to the close of its fiscal year. Accordingly, those allocations are reported as an expense and as allocations payable. The allocations are paid out over the following fiscal year.

Property and Equipment

All equipment purchased is stated at cost. Donated property is stated at its fair market value at the date of gift. During the year ended June 30, 2013, no equipment was donated to the organization. Major improvements are charged to the property accounts, while repairs and maintenance, which do not extend the life of the asset, are expensed in the current period.

Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2013 was \$8,285.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. For the twelve months ended June 30, 2013 the Organization recognized contributions of \$25,000 for donated consulting services. Additionally, a substantial number of volunteers donated significant amounts of their time in the Organization's fund-raising campaigns.

UNITED WAY OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Continued):

Taxes on Income

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and from California franchise tax under section 23701d of the Revenue and Taxation Code.

Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

The carrying amount of cash and cash equivalents, pledges, grants and other receivables, accounts payable and accrued expenses approximates fair market value due to short-term maturities of these instruments.

NOTE 3 CASH AND CASH EQUIVALENTS:

Cash and Checking Accounts	\$ 86,118
Money Market and Maximizer Accounts	53,906
Total Cash and Cash Equivalents	\$ 140,024

NOTE 4 PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following as of June 30, 2013:

	<u>Donated</u>	<u>Purchased</u>	<u>Total</u>
Computer Equipment	\$ 28,164	\$ 48,494	\$ 76,658
Office Equipment	-	40,641	40,641
Leasehold Improvements	-	16,773	16,773
	\$ 28,164	\$ 105,908	\$ 134,072
Accumulated Depreciation			(104,941)
Net Property and Equipment			\$ 29,131

Estimated useful lives are as follows:

Computer and Office Equipment	5 – 7 years
Leasehold Improvements	5 – 10 years

UNITED WAY OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 RESTRICTED NET ASSETS:

Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes or periods:

Restricted for Use:

United Way San Benito County	\$ 170,702
Family Service Association of the Central Coast (Cumulative Investment Income)	79,575
Family Service Association of the Central Coast (Principal)	76,445
Friends of Pajaro Park	62,594
Packard General Operating	50,000
Packard Youth Violence	25,000
TCW Sabbatical	20,000
2-1-1	17,729
Appleton Smart Solutions	12,710
Santa Cruz Meth Project	12,588
Success by Six	9,629
Homeless Action Project	9,549
Robert Wood Johnson	7,712
County of Santa Cruz Probation Department	7,616
PVCHT Healthy Corner Markets	7,329
Together for Youth	7,099
Children's Network CAPC	7,077
Go for Health! (Stipends)	6,223
Project Homeless Connect	3,467
Bi-National Health Week	3,417
Hep C	3,352
Immunization Coalition	2,509
Perinatal Services/CPSP	2,152
CAG	1,941
Go for Health!	1,193
Homeless Summit	1,011
Safe Kids	353
Total	<u>\$ 608,972</u>

Permanently Restricted Net Assets

Permanently restricted net assets are funds that are required by the gift instruments to be invested in perpetuity. The income from such investments is unrestricted. As of June 30, 2013, the Organization had \$5,000 in permanently restricted net assets.

UNITED WAY OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6 DEFERRED COMPENSATION PLAN:

United Way sponsors a salary reduction contribution plan pursuant to Section 403(b) of the Internal Revenue Code, covering substantially all employees. Under the plan, employees contribute a specified percentage of their salary, or a fixed dollar amount, to the plan. Participants are immediately vested in all contributions to the Plan.

The Organization contributes a percentage of each participant's salary, as approved by the Board of Directors. The percentage has historically been 8%, but the amount was reduced to 6% for selected staff for a three-year period beginning in 2010. Non-discrimination rules do not allow a tiered contribution, so the underfunded liability of approximately \$56,700 has been recorded, with an offset of approximately \$15,400 reimbursed by third parties. The entire balance was paid in December, 2013. Contributions totaling \$82,603 for the year ended June 30, 2013 were made by the Organization, in addition to elective deferrals made by employees.

NOTE 7 CONCENTRATIONS:

Concentration of Grants

The Organization collaborates with First 5 Santa Cruz County, who provides approximately 41% of the Organization's total support and revenue and represents approximately 51% of total grants receivable at June 30, 2013. The contract with First 5 Santa Cruz County is renewable annually.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of checking accounts, certificates of deposit, money market accounts, and accounts and pledges receivable.

Credit risk with respect to grants receivable is considered low because a substantial portion is from government agencies. Pledges receivable, which have been shown net of an allowance for uncollectible amounts, are due from corporations, foundations and individuals located primarily in Santa Cruz County.

The Organization maintains balances in cash and interest-bearing deposit accounts in several financial institutions and, from time to time during the year, the cash balances may be in excess of the amount insured by the FDIC. In the event of insolvency by the financial institution, deposits in excess of insured amounts are potentially subject to unrecoverable loss. At June 30, 2013, the Organization held \$0 in uninsured deposits.

UNITED WAY OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8 LEASE COMMITMENTS:

In September 2010 the Organization entered into a ten year lease for its main office space in Capitola, California. Monthly lease payments, including triple net charges, were \$5,780 for the fiscal year ended June 30, 2013. The agreement provides for a 3% increase in monthly lease payments and triple net charges beginning in year six and continuing each subsequent year.

The Organization also rents two other program facilities on a month to month basis. Monthly rents for these facilities total \$450 and \$350, respectively.

Rent expense for the year ended June 30, 2013 was \$79,097 including triple net charges. At June 30, 2013 the Organization is committed to the following annual minimum lease payments including triple net charges:

	Rent and NNN Charges

2014	\$ 69,360
2015	69,360
2016	71,094
2017	73,227
2018	75,424
Thereafter	171,104

	<u>\$ 529,569</u>

NOTE 9 PREPAID EXPENSES:

Prepaid expenses consisted of the following items at June 30, 2013:

Consulting	\$ 29,778
Rent	5,780
Insurance	<u>290</u>
Total	<u>\$ 35,848</u>

NOTE 10 ADVERTISING COSTS:

Advertising costs are expensed as incurred. For the year ended June 30, 2013 advertising expenses totaled \$15,271.

UNITED WAY OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11 PRIOR PERIOD ADJUSTMENTS

As of July 1, 2012 the United Way of Santa Cruz County adopted the guidance in Accounting Standards FASB 116, by electing to apply retrospectively the immediate recognition of revenue for all grants other than cost reimbursement grants, whether cash or noncash, defining them as unrestricted, temporarily restricted, or permanently restricted net assets depending on the donor's specifications. Prior to adopting the method of revenue recognition, revenue was recognized on the date when it was earned, which was when the related qualifying expense was incurred, with the balance being deferred as an exchange transaction and recognized over the remaining period of performance. As of June 30, 2012, the Organization had recorded deferred exchange revenue of \$181,865, which represented primarily foundation grants made in prior fiscal years. Thus, by adopting and conforming to FASB 116, the amount will be a prior period adjustment to more accurately reflect revenue received in the prior year. This method of revenue recognition was adopted because the Organization believes it provides a more meaningful presentation of its financial position since this method more accurately reflects the standards adopted in FASB 116. Accordingly, beginning net assets were increased by \$181,865.

Additionally, campaign liabilities involving designations have historically been estimated at fiscal year end without deducting certain related administrative fees, based on the initial assumption that all designated contributions will be received. Related adjustments were then made during the subsequent fiscal year based on actual results. Beginning with the current fiscal year's campaign, management decided to record campaign related liabilities involving designations net of an estimated amount of related administrative fees. The effect of this change to beginning net assets was an increase of \$33,192.

Beginning net assets were decreased by \$29,776 in connection with the retirement funding change described in Note 6.

The total increase to beginning net assets for the above was \$185,281.

UNITED WAY OF SANTA CRUZ COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 12 **UNCERTAIN TAX POSITIONS:**

The Organization has implemented new accounting standards associated with uncertainty in income taxes. Accordingly, the Organization shall initially recognize the financial statement effects of a tax position when it is more-likely-than-not, based on the technical merits, that the position will be sustained upon examination. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

For the federal tax jurisdiction, tax years for 2009 through 2012 remain open and could be subject to examination. For the state tax jurisdiction, the tax years 2008 through 2012 remain open and subject to examination.

NOTE 13 **SUBSEQUENT EVENTS:**

The Organization has evaluated events subsequent to June 30, 2013, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through January 10, 2014, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

NOTE 14 **BOARD DESIGNATION:**

In fiscal year 2011-2012, the Organization's Board of Trustees passed a motion to establish a goal of \$250,000 of unrestricted net assets for an operating reserve, which totaled \$231,681 as of June 30, 2013.

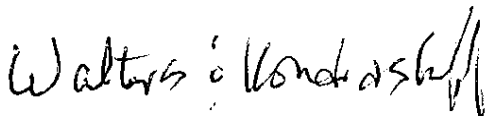
SUPPLEMENTARY INFORMATION

WALTERS & KONDRASHEFF
CERTIFIED PUBLIC ACCOUNTANTS
1729 SEABRIGHT AVENUE SUITE B
SANTA CRUZ, CA 95062
TELEPHONE (831) 429-8617
FAX (831) 429-6537
www.waltersandkondrasheff.com

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

Board of Trustees
United Way of Santa Cruz County
Capitola, California

We have audited the financial statements of United Way of Santa Cruz County as of and for the year ended June 30, 2013, and have issued our report thereon dated January 10, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Statement of Activities Detail is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, 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 as a whole.



Walters & Kondrasheff
Certified Public Accountants
Santa Cruz, California
January 10, 2014

UNITED WAY OF SANTA CRUZ COUNTY

STATEMENT OF ACTIVITIES DETAIL

FOR THE YEAR ENDED JUNE 30, 2013

ALLOCATIONS TO PARTNER PROGRAMS:	Approved Allocation
Volunteer Center	\$ 17,858
Santa Cruz Community Counseling Center	17,858
Community Action Board	14,285
Santa Cruz Community CU/ SC Community Ventures	14,285
Family Service Agency of the Central Coast	12,143
Hope Services	12,143
Y.M.C.A., Watsonville	10,714
Catholic Charities	10,714
Cultural Council of Santa Cruz County	10,000
San Lorenzo Valley Unified School District	10,000
Pajaro Valley Unified School District	10,000
Santa Cruz Gardens Elementary	10,000
Homeless Services Center	8,571
SC COE	8,571
Big Brothers/Big Sisters	7,143
Health Improvement Partnership	7,143
Hospice of Santa Cruz County	7,142
Dientes	7,142
Senior Network Services	7,142
Women's Crisis Support	6,785
Seniors Council	6,072
Senior Citizens Legal Services	5,572
Boys & Girls Club	5,357
Walnut Avenue Women's Center	5,000
CASA of San Benito County	5,000
Emmaus House	4,500
Center For Community Advocacy	3,572
O'Neill Sea Odyssey	3,572
Project Bike Trip	3,572
Advocacy, Inc.	3,572
Santa Cruz Aids Project	3,572
Chamberlains Childrens Center	3,500
Ag Against Hunger	3,200
Girl Scouts of America	2,800
Community Food Bank of SBC	2,500
YMCA, San Benito County	2,500
Jovenes de Antano	2,000
Del Mar Care Givers	1,750
San Benito County Arts Council	1,500
Hollister Youth Alliance	1,250
Total	<u>\$ 280,000</u>

See Independent Auditor's Report on Supplementary Information