

United Way of Galveston, Inc.

Financial Statements

December 31, 2015

United Way of Galveston, Inc.

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Katherine Overbeck Maxwell, PLLC
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Galveston, Inc.

We have audited the accompanying financial statements of United Way of Galveston, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, changed on net assets, 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.

Opinion

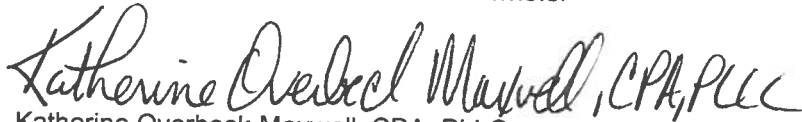
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Galveston, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Adjustment

As discussed in Note 14 to the financial statements, the beginning Accounts Receivable balance has been adjusted to reflect the actual outstanding pledges received as of the prior year end which have been restated to correct a misstatement to the Accounts Receivable beginning balance at January 1, 2015. Our opinion has not been modified with respect to this matter

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of allocations and designation to agencies and schedule of overhead rate on pages 14 and 15 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 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.



Katherine Overbeck Maxwell, CPA, PLLC

Galveston, Texas

March 3, 2017

United Way of Galveston, Inc.
Statement of Financial Position
December 31, 2015

Assets	
Cash and cash equivalents	\$ 1,536,125
Investments	181,275
Pledges receivable, net of allowance for uncollectible pledges of \$70,000	717,406
Inventory recognition pins	11,025
Other receivables and prepayments	77,027
Prepaid Expenses	<u>787</u>
Total Assets	\$ <u><u>2,523,645</u></u>
 Liabilities and Net Assets 	
Liabilities	
Accounts payable and accrued expenses	\$ 99,070
Donor designations payable	<u>434,443</u>
Total Liabilities	533,513
 Net Assets	
Unrestricted	
Unappropriated	1,507,422
Inventory	11,025
Board appropriated	<u>90,000</u>
Total unrestricted	1,608,447
Temporarily restricted	<u>381,685</u>
Total Net Assets	<u><u>1,990,132</u></u>
Total Liabilities and Net Assets	\$ <u><u>2,523,645</u></u>

See accompanying notes to the financial statements.

United Way of Galveston, Inc.
Statement of Activities
For the Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, Gains and Other Support			
Campaign applicable to current period			
Pledges received in prior periods - (released from restrictions)	\$ 936,540	\$ (936,540)	\$ -
Pledges received in current year - (released from restrictions)	478,710	-	478,710
Less donor designations	<u>(305,043)</u>	<u>305,043</u>	<u>-</u>
Total Campaign for Current Period	<u>1,110,207</u>	<u>(631,497)</u>	<u>478,710</u>
Allowance for uncollectible pledges	(70,000)	70,000	-
Campaign revenue for next allocation period		803,200	803,200
Less donor designations		(351,515)	(351,515)
Less allowance for uncollectible pledges		<u>(70,000)</u>	<u>(70,000)</u>
Total Campaign for Next Allocation Period	<u>(70,000)</u>	<u>451,685</u>	<u>381,685</u>
Total Campaign	<u>1,040,207</u>	<u>(179,812)</u>	<u>860,395</u>
Other Revenue			
Financial literacy grant	-		-
Other United Way Agencies	67,903		67,903
Investment income	3,148		3,148
Realized gains (losses)	(261)		(261)
Unrealized gain (loss) on investments	(877)		(877)
Other revenue	5,846		5,846
Released from Restriction	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Revenue	<u>75,759</u>	<u>-</u>	<u>75,759</u>
Total Revenue	<u>1,115,965</u>	<u>(179,812)</u>	<u>936,153</u>
Allocations and Other Functional Expenses			
Funds allocated to member agencies	247,066		247,066
Non-member Designations	8,303		8,303
Total Member and Non-Member Allocations	<u>255,369</u>		<u>255,369</u>
Community investments initiative allocations funded in 2013	<u>48,435</u>		<u>48,435</u>
Total Allocations	<u>303,804</u>	<u>-</u>	<u>303,804</u>
Functional expenses	221,765		221,765
L Kempner Thompson Estate	75,446		75,446
Financial literacy grant expenses	-		-
Payments to United Way of America and United Way of Texas	<u>-</u>	<u>-</u>	<u>-</u>
Total Allocations and Functional Expenses	<u>601,015</u>	<u>-</u>	<u>601,015</u>
Change in Net Assets	<u>\$ 514,950</u>	<u>\$ (179,812)</u>	<u>\$ 335,138</u>

See accompanying notes to the financial statements.

United Way of Galveston, Inc.
Statement of Changes in Net Assets
For the Year ended December 31, 2015

	Unrestricted Net Assets					Total Net Assets
	Unappropriated	Inventory	Board Appropriated	Total Unrestricted	Temporarily Restricted Net Assets	
Net Assets December 31, 2014	\$ 1,471,182	\$ 11,025	\$ 90,000	\$ 1,572,207	\$ 561,497	\$ 2,133,704
Prior year correction	(478,710)			(478,710)		(478,710)
Reclassify temporarily restricted funds						
Current Activity:						
Changes in net assets from operations	514,950			514,950	(179,812)	335,138
Transfer between funds						
Changes in Net Assets	36,240	-		36,240	(179,812)	(143,572)
Net Assets December 31, 2015	\$ 1,507,422	\$ 11,025	\$ 90,000	\$ 1,608,447	\$ 381,685	\$ 1,990,132

See accompanying notes to the financial statements
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United Way of Galveston, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2015

	<u>Program Costs</u>	<u>Management and General Expenses</u>	<u>Fundraising Expenses</u>	<u>Total</u>
Accounting and auditing	\$ 12,786	\$ 4,795	\$ 14,385	\$ 31,966
Bank charges	288	108	323	719
Campaign promotion/public relations	-	-	30,429	30,429
Hospitalization	7,989	2,996	8,987	19,972
Information technology	834	313	937	2,084
Insurance	1,452	545	1,633	3,630
Legal and Professional	-	-	-	-
Meeting expense	-	-	-	-
Occupancy	7,950	2,981	8,944	19,875
Office expense	683	256	768	1,707
Organizational dues	1,076	404	1,210	2,690
Payroll taxes	4,725	1,772	5,315	11,812
Postage	301	113	338	752
Repairs and maintenance	2,142	803	2,411	5,356
Salaries and wages	51,595	19,348	58,044	128,987
Telephone	1,813	680	2,040	4,533
Travel and Training	-	3,331	-	3,331
Other Expenses	25,943	-	-	25,943
SECC reimbursement	<u>(28,808)</u>	<u>(10,803)</u>	<u>(32,409)</u>	<u>(72,020)</u>
Total	90,769	27,642	103,355	221,765
Depreciation and amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Functional Expenses	\$ <u>90,769</u>	\$ <u>27,642</u>	\$ <u>103,355</u>	\$ <u>221,765</u>

See accompanying notes to the financial statements.

United Way of Galveston, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2015

Cash Flows from Operating Activities	
Change in net assets	\$ 335,138
Adjustment to reconcile change in net assets to net cash provided by operating activities	
(Increase) decrease in accounts receivable	(411,355)
(Increase) decrease in other receivables and prepaid expenses	(42,377)
Increase (decrease) in accounts payable	89,485
Increase (decrease) in designations payable	<u>(3,709)</u>
Net Cash Provided by Operating Activities	(32,818)
Cash Flows from Investing Activities	
Purchase of investments	<u>1,139,439</u>
Cash Flows from Financing Activities	-
Increase (Decrease) in Cash and Cash Equivalents	1,106,621
Cash and Cash Equivalents Beginning of Year	<u>429,504</u>
Cash and Cash Equivalents End of Year	\$ <u><u>1,536,125</u></u>

See accompanying notes to the financial statements.

United Way of Galveston, Inc.
Notes to Financial Statements
December 31, 2015

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

United Way of Galveston, Inc. a Texas non-profit corporation, was created in 1923 and its mission is to engage caring people to improve lives and build a stronger community. United Way of Galveston, Inc.'s strategic vision is to be the leader and trusted partner in improving lives, tackling key community social issues and making a lasting difference for the entire Galveston community.

United Way of Galveston, Inc. invests in a broad array of services that focus on developing children and youth to their full potential, creating strong families and safe neighborhoods, sustaining senior independence and supporting people rebuilding their lives. United Way of Galveston, Inc. services touched over 75,000 lives in the community last year. In addition, United Way of Galveston, Inc. connects people with services through 2-1-1 Texas in order to bring services closer to where people live.

United Way of Galveston, Inc.'s fundraising efforts include workplace campaigns, individual leadership giving programs, corporate giving, foundation grants, and special efforts to respond to emerging issues such as disaster recovery. Additionally, United Way of Galveston, Inc. acts as the Local Campaign Manager for the local Galveston Area State Employees Charitable Campaign, soliciting funds from Texas State employees.

Federal Income Tax Status

The United Way of Galveston, Inc. is an exempt organization for federal income tax purposes under Section 501 (c)(3) of the Internal Revenue Code and is classified as a public charity under Section 170 (b)(1)(A)(vi). The United Way of Galveston, Inc. files annual federal information returns and are subject to routine examinations of their returns. However, there are no examinations for any tax returns currently in progress. The United Way of Galveston, Inc. believes that they are no longer subject to examinations of returns for the tax years ending before December 31, 2013.

Cash Equivalents

Cash and cash equivalents include demand deposits and all short-term investments with a maturity of three months or less when purchased.

Inventory

Inventory consists of recognition pins and is stated at the lower of cost or net realizable value.

Investments

Investments are reported at fair value. Investment return is reported in the statement of activities as an increase in unrestricted net assets unless the use of income is limited by donor-imposed restrictions.

Pledges Receivable

Pledges receivable that are expected to be collected within one year are reported at net realizable value.

A provision for uncollectable pledges is made as a reduction of contribution revenue based on recent historical experience as well as other factors anticipated to affect collections. Uncollected pledges generally differ from estimated amounts. Consequently, the difference is reflected in the statement of activities as an increase or decrease in allowance for uncollectible pledges released from restrictions.

United Way of Galveston, Inc.
Notes to Financial Statements
December 31, 2015

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land, Building and Equipment

Land, building and equipment are stated at cost if purchased and at fair value if donated. Purchases greater than \$1,000 are capitalized. Depreciation is provided on a straight line basis over the estimated useful lives of the assets, as follows: building and improvement are over periods of approximately 31 years and furniture and equipment over periods of 5 to 10 years. At present, the Organization does not have any depreciable assets.

Basis of Presentation

United Way of Galveston, Inc. classified its contributions and net assets based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation.
- *Temporarily restricted net assets* include contributions restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.

Contributions

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support. Conditional contributions are recognized in the same manner when the conditions are substantially met. Gifts of property and equipment are recognized as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are classified as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained; expirations of donor restrictions are reported when the related assets are placed in service.

Non-Cash Contributions

Donated materials, use of facilities, and services are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration, and fundraising for which no amount has been recorded in the financial statements because the services did not meet the criteria for recognition under generally accepted accounting principles.

Functional Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation of expenses is based on approximations developed by management as follows: 45% fundraising campaign, 40% program services and 15% management and general. The statement of functional expenses reflect those allocated costs based on these percentages except for the direct costs from

**United Way of Galveston, Inc.
Notes to Financial Statements
December 31, 2015**

the line-item, campaign promotions/public relations, which is a direct cost reflected solely as fundraising expense and is not subject to the cost allocation percentage.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

United Way of Galveston, Inc. expenses advertising costs as incurred. For the year ended December 31, 2015, advertising expenses were approximately \$12,514 and are included in campaign promotion and public relations in the statement of functional expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

Cash Checking	\$ 270,599
Money Market & Certificate of Deposit	<u>1,265,527</u>
Total Cash & Cash Equivalent	<u>\$1,536,126</u>

Bank deposits did not exceed the federally insured limit per depositor per institution except accounts with Merrill Lynch which exceeded the standard insurance amount of \$250,000 by \$656,855.

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable are as follows:

Pledges Receivable	\$1,760,468
Allowance for Uncollectible Pledges	<u>(1,043,062)</u>
Pledges Receivable, Net	<u>\$ 717,406</u>

Pledges receivable at December 31, 2015 are expected to be collected as follows:

2014	\$	20,731
2015		936,540
2016		<u>803,197</u>
Total Pledges Receivable		<u>\$1,760,468</u>

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

**United Way of Galveston, Inc.
Notes to Financial Statements
December 31, 2015**

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

- *Level 3* – Inputs are not observable and are based on the reporting entity's assumptions about the inputs market participants would use in pricing the asset or liability.

Assets measured at fair value at December 31, 2015 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Fixed Income Index	\$ 16,708	\$ -	\$ -	\$ 16,708
Equity Mutual Funds:				
Domestic Equity Index	43,545	-	-	43,545
Foreign Equity Index	15,812	-	-	15,812
Total Investments	<u>76,065</u>	<u>-</u>	<u>-</u>	<u>76,065</u>
Money Market Funds Held				
As Cash Equivalent	<u>105,210</u>	<u>-</u>	<u>-</u>	<u>105,210</u>
Total Assets Measured at Fair Value	<u>\$ 181,275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,275</u>

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

Investment return consists of the following:

Interest and Dividends	\$ 3,909
Net Realized and Unrealized Loss	(1,138)
Investment Management Fees	<u>(761)</u>
Investment Return, Net	<u>\$ 2,010</u>

Fair value of financial instruments – The carrying value of United Way of Galveston, Inc.'s significant financial instruments, including cash and cash equivalents, pledges receivable, other short-term assets, investments and liabilities approximates fair value as of December 31, 2015

NOTE 5 – EQUIPMENT

No assets are set up for depreciation at this time.

NOTE 6 – LEASE OBLIGATIONS

United Way of Galveston, Inc. renewed its two-year lease agreement commencing July 1, 2015 through June 30, 2017 for approximately 903 square feet of office space with the Waverly Holding Company. The lease calls for

United Way of Galveston, Inc.
Notes to Financial Statements
December 31, 2015

monthly rental payments payable on or before the first of the month. The renewal calls for a 3% increase for each of the two years of the lease obligation. Monthly payments for 2015-2016 are \$1,490 and increase to \$1,586 for 2016 -2017. The total lease obligations for 2016 and 2017 are as follows:

2016	\$18,456
2017	9,516

NOTE 7 – EMPLOYEE BENEFITS PLAN

The United Way of Galveston, Inc. provided health and dental care coverage for all full time employees. The Organization paid 100% of the premium for both health and dental coverage. In 2015, the total premiums paid for the total benefit was \$19,972.

Note 8 – RELATED PARTIES

United Way performs fundraising and administrative functions for the area State Employees Charitable Campaign (SECC) and is reimbursed for expenses based on actual expenditures incurred relative to particular campaigns.

The results of the SECC campaign are then included in results of the corresponding United Way campaign and amounts designated by donors to member or non-member agencies are included in “donor designations”. Accordingly, only amounts pledged through the SECC campaign, which are available to the United Way for general allocations and costs, are included in the net campaign results.

Note 9 – DONOR DESIGNATIONS

Designations payable include amounts held in custody by the United Way and pledges receivable which are payable to donor specific agencies as a result of campaigns run by the United Way for the State Employee Charitable Campaign (Custodial Funds). The United Way acts as an agent for this campaign and in accordance with FASB ASC 958-905 (formally SFAS 116 paragraph 9) does not record contribution revenue or allocation expense on the Statement of Activities. Any undistributed custodial funds as of the end of the period are recorded on the statement of financial position. In addition, designations payable includes campaign contributions from donors that have designated all or part of their contributions to specific agencies. For accounting purposes, these specific donor designations are not considered to be part of the total public support and are deducted from the campaign amount available to the United Way.

Donor designations at December 31, 2015 amounted to \$351,515 include amounts related to custodial funds of \$587,661.

Note 10 – CONCENTRATION OF CREDIT RISK

United Way is funded predominantly from the receipt of contributions pledged by individuals and institutions dependent on the local economy in the Galveston area.

NOTE 11 – UNRESTRICTED NET ASSETS

The Board of Directors has designated unrestricted net assets as follows:

Inventory – This reserve is made up of inventory of campaign and promotional items that remain at year end and are accounted for in the asset area as inventory and in the net asset area as a component of unrestricted net assets based on their value at year end.

Board Appropriated – This reserve was appropriated by the Board for two separate functions. The first reserve as to place \$40,000 with the Houston Community Foundation to be pooled with the multibillion dollar corpus of the Foundation. The money is held in trust on behalf of the United Way of Galveston, Inc. with the opportunity to earn a higher return on the money, as well as receiving assistance for the Foundation in various areas of the United

**United Way of Galveston, Inc.
Notes to Financial Statements
December 31, 2015**

Way of Galveston, Inc. The second reserve in the amount of \$50,000 used to fund a disaster relief fund as part of a Memo of Understanding between the United Way of Galveston, Inc. and The Galveston County Recovery Fund. These funds would be utilized in the event of a federally declared disaster in Galveston or Galveston County. The funds would be used to meet immediate needs of residents in the event of a disaster.

The composition of unrestricted net assets is designated as follows:

Designated by the Board of Directors

Inventory	\$ 11,025
Board Appropriated	90,000
Undesignated	<u>1,507,422</u>
Total Unrestricted Net Assets	<u>\$ 1,608,447</u>

NOTE 12 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose:

Restricted for future Annual Campaigns	<u>\$ 381,685</u>
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NOTE 13 – COMMUNITY INVESTMENT INITIATIVE

In 2007 the Organization began a new program to assist non-profit organizations to fund several programs to assist individuals in various programs such as career success fit and fun food delivery and health programs. During the year ended 2015, \$48,435 of allocations were funded.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

The financial statements have been adjusted to correct the pledges receivable balance at the beginning of the year. The previously reported receivable included all campaign pledges instead of only those received prior to year-end. The net impact of this correction was a \$478,710 reduction in beginning unrestricted net assets.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events were reviewed through March 3, 2017, the date which the financial statements were available to be issued. No significant subsequent events were noted.

United Way of Galveston, Inc.
Schedule of Allocations and Designations to Agencies
For the Year Ended December 31, 2015

	<u>Gross 2014 Campaign for 2015 Allocations</u>	<u>Allocations Funded Through Donor Designations</u>	<u>Disaster Relief Funded By Board Reserve</u>	<u>2014 - 2015 Campaign Net Allocations</u>
Member Agencies Designation				
Access Care of Coastal Texas	\$ 3,823	\$ -	\$ -	\$ 3,823
Advocacy Center	15,841	-	-	15,841
American Red Cross	7,760	-	-	7,760
ADA Womens Center	6,731	-	-	6,731
Boys and Girls Club of Galveston	6,534	-	-	6,534
Boy Scouts of America	11,671	-	-	11,671
Catholic Charities of the Archdioces	18,421	-	-	18,421
Childrens Center	7,836	-	-	7,836
Communities in Schools	148	-	-	148
Family Service Center	5,203	-	-	5,203
Galveston College Foundation	1,945	-	-	1,945
Galveston Co. Big Brothers Big Sisters	6,088	-	-	6,088
GISD Foundation	1,673	-	-	1,673
Gleaning from the Harvest	32,093	-	-	32,093
Galveston Island Meals on Wheels	14,618	-	-	14,618
Libbie's Place	6,735	-	-	6,735
NAMI Gulf Coast	5,584	-	-	5,584
St. Vincent's House	31,605	-	-	31,605
Salvation Army	24,581	-	-	24,581
Sunshine Supportive Employment	7,739	-	-	7,739
Teen Health Center	6,662	-	-	6,662
Galveston Family Y.M.C.A.	1,265	-	-	1,265
Resource & Crisis Center of Galveston Co.	22,510	-	-	22,510
Total Member Designations	\$ 247,066	\$ -	\$ -	\$ 247,066
Total Non-Member Designations				8,303
Total Member and Non-Member Designations				\$ 255,369

See accompanying notes to the financial statements.

**United Way of Galveston, Inc.
Schedule of Overhead Rate
For the Year Ended December 31, 2015**

	<u>United Way of Galveston, Inc.</u>	<u>Custodial Funds</u>	<u>Eliminations</u>	<u>Adjusted Total</u>
Functional Expenses				
Management and general	\$ 27,642	\$	\$	\$ 27,642
Fundraising	103,355			103,355
Miscellaneous		29,931		29,931
Total Expenses	\$ 130,997	\$ 29,931	\$ -	\$ 160,928
Revenue				
2014-2015 Campaign	\$ 484,685	\$ 451,855	\$ (305,043)	\$ 631,497
Other Revenue	73,749			73,749
Investment income	2,010			2,010
Total Revenue	\$ 560,444	\$ 451,855	\$ (305,043)	\$ 707,256
Overhead Rate				22.75%

Note: The overhead rate is equal to functional expenses less program cost divided by total revenues, including the custodian funds. United Way has calculated its overhead rate using the Gross Method, as established by a committee of Chief Financial Officers of United Ways from throughout the country, under which functional expenses less program costs are divided by total public support and other revenues without deductions of an allowance for uncollectible pledges and donor designated pledges. Program costs include an allocation of 40% of administrative expenses based on the Full-Time Equivalent Employee Method.

See accompanying notes to the financial statements.