

UNITED WAY OF BROOME
COUNTY, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2016
With Comparative Totals For
December 31, 2015

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UNITED WAY OF BROOME COUNTY, INC.

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UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 AND 2015

ASSETS	<u>2016</u>	<u>2015</u> (Restated)
Cash and Cash Equivalents	\$2,259,396	\$2,411,734
Restricted Cash	678,763	478,230
Pledges, Grants and Bequests Receivable, Net of Allowance for Uncollectible Pledges of \$164,246 and \$149,920 for 2016 and 2015, respectively	1,162,110	1,121,953
Investment Income Receivable	18,391	30,674
Other Receivables and Prepayments	137,480	125,775
Investments, At Market	25,449,370	26,422,238
Beneficial Interest in Trusts	809,717	805,484
Property and Equipment, At Cost, Net of Accumulated Depreciation	<u>213,130</u>	<u>235,362</u>
TOTAL ASSETS	<u>\$30,728,357</u>	<u>\$31,631,450</u>
LIABILITIES AND NET ASSETS		
Allocations Payable to Member Agencies, Other Grants Payable	\$123,506	\$123,506
Other Liabilities	334,231	375,070
Lease Liability	22,396	28,114
Accrued Pension Cost	<u>-</u>	<u>1,039,039</u>
Total Liabilities	480,133	1,565,729
Net Assets		
Unrestricted:		
Board Designated	10,017,762	9,981,222
Undesignated	<u>1,173,292</u>	<u>1,036,267</u>
Total Unrestricted	11,191,054	11,017,489
Temporarily Restricted	7,706,723	7,727,893
Permanently Restricted	<u>11,350,447</u>	<u>11,320,339</u>
Total Net Assets	<u>30,248,224</u>	<u>30,065,721</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$30,728,357</u>	<u>\$31,631,450</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016
WITH COMPARATIVE TOTALS FOR 2015

	<u>Unrestricted</u> <u>Net Assets</u>	<u>Temporarily</u> <u>Restricted</u> <u>Net Assets</u>	<u>Permanently</u> <u>Restricted</u> <u>Net Assets</u>	<u>Total</u> <u>2016</u>	<u>Total</u> <u>2015</u>
PUBLIC SUPPORT AND REVENUE					
Gross Campaign Results (2015/2016)	\$ 312,068	\$ -	\$ -	\$ 312,068	\$ 394,791
Add: Collection Surplus	24,515	-	-	24,515	102,047
Less : Collection Losses	-	-	-	-	-
Net Campaign Revenue (2015/2016)	<u>336,583</u>	<u>-</u>	<u>-</u>	<u>336,583</u>	<u>496,838</u>
Gross Campaign Results (2016/2017)	-	1,445,317	-	1,445,317	1,265,883
Less: Provision for Net Collection Losses	-	<u>(83,283)</u>	-	<u>(83,283)</u>	<u>(86,806)</u>
Net Campaign Revenue (2016/2017)	-	1,362,034	-	1,362,034	1,179,077
Bequests and Other Contributions	25,000	249,849	25,875	300,724	87,334
Interest and Dividend Income, Net of Investment Fees of \$118,680 and \$130,707 for 2016 and 2015 respectively	257,024	322,674	-	579,698	640,723
Realized Gains on Investments	469,104	1,060,371	-	1,529,475	1,622,336
Unrealized Gains (Losses) on Investments	14,211	(605,547)	4,233	(587,103)	(2,954,593)
Donated Equipment and Merchandise	9,300	-	-	9,300	12,334
Grants and Program Income	412,052	-	-	412,052	259,820
Service Fees	21,588	-	-	21,588	28,281
Other Income	1,172	-	-	1,172	2,145
Net assets released from restrictions	<u>2,410,551</u>	<u>(2,410,551)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$ 3,956,585</u>	<u>\$ (21,170)</u>	<u>\$ 30,108</u>	<u>\$ 3,965,523</u>	<u>\$ 1,374,295</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016
AND WITH COMPARATIVE TOTALS FOR 2015

EXPENSES	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total 2016	Total 2015
Gross Funds Awarded/Distributed	\$ 1,868,803	\$ -	\$ -	\$ 1,868,803	\$ 1,865,195
Net Allocations and Grants	1,868,803	-	-	1,868,803	1,865,195
Community Investments	63,728	-	-	63,728	30,738
2-1-1	237,307	-	-	237,307	282,357
Volunteer Engagement	70,871	-	-	70,871	81,629
Community Impact & Initiatives Programs	675,777	-	-	675,777	600,898
Community Planning & Relations	176,821	-	-	176,821	203,310
Total Program Services	3,093,307	-	-	3,093,307	3,064,127
Supporting Services					
Management and General	449,829	-	-	449,829	473,724
Fund Raising	271,888	-	-	271,888	309,827
Total Support Services	721,717	-	-	721,717	783,551
Total Functional Expense	3,815,024	-	-	3,815,024	3,847,678
Pension - Related Changes Other Than Net - Periodic Pension Expense	(32,004)	-	-	(32,004)	(314,607)
TOTAL ALLOCATIONS AND OTHER EXPENSE	3,783,020	-	-	3,783,020	3,533,071
Change in Net Assets	173,565	(21,170)	30,108	182,503	(2,158,776)
Net Assets at the Beginning of the Year, as previously reported	11,178,320	7,567,062	11,320,339	30,065,721	32,224,497
Prior period adjustment to correct release of temporarily restricted net assets at December 31, 2015.	(160,831)	160,831	-	-	-
Net Assets at the Beginning of the Year	11,017,489	7,727,893	11,320,339	30,065,721	32,224,497
Net Assets - End of Year	\$ 11,191,054	\$ 7,706,723	\$ 11,350,447	\$ 30,248,224	\$ 30,065,721

See the accompanying notes to financial statements.

**UNITED WAY OF BROOME COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016
WITH COMPARATIVE TOTALS FOR 2015**

	Community Investments	2-1-1/ First Call For Help	Volunteer Engagement	Community Impact Initiatives Programs	Community Planning & Relations	Total Program Services	Management & General	Fund Raising	Total 2016	Total 2015
Allocations	\$ 1,838,703	\$ -	\$ -	\$ -	\$ -	\$ 1,838,703	\$ -	\$ -	\$ 1,838,703	\$ 1,840,167
Venture and other miscellaneous grants	45,946	-	-	320,466	-	366,412	-	-	366,412	384,493
Capacity Grants	30,100	-	-	-	-	30,100	-	-	30,100	16,700
Sub-Total	1,914,749	-	-	320,466	-	2,235,215	-	-	2,235,215	2,241,360
Staff Salaries	12,610	148,234	39,986	129,071	115,344	445,245	237,236	151,882	834,363	780,576
Personnel Benefits & Taxes	1,181	23,260	529	19,447	14,855	59,272	53,081	27,388	139,741	305,577
Sub-Total	13,791	171,494	40,515	148,518	130,199	504,517	290,317	179,270	974,104	1,086,153
Professional Services	322	7,512	7,352	104,635	3,191	123,012	28,234	4,232	155,478	100,287
Supplies and Program Costs	595	3,410	12,328	46,949	4,425	67,707	8,834	13,209	89,750	74,808
Telephone	87	8,044	241	647	809	9,828	2,991	961	13,780	13,110
Postage	44	1,466	356	2,672	380	4,918	794	2,103	7,815	6,895
Occupancy Costs	432	6,094	1,193	5,522	3,809	17,050	8,134	5,007	30,191	33,115
Printing, Publication, Publicity	17	3,023	3,374	19,382	2,782	28,578	9,157	33,352	71,087	91,765
Travel	184	4,206	969	5,748	1,807	12,914	5,343	3,270	21,527	25,026
Dues and Subscriptions	925	6,681	373	128	448	8,555	4,100	2,435	15,090	9,676
Equipment Maintenance, Rental	324	12,962	942	3,419	3,102	20,749	8,650	6,963	36,362	29,868
Business Insurance	153	2,737	500	1,557	2,089	7,036	2,843	1,976	11,855	5,260
Depreciation	772	9,076	2,448	7,902	7,062	27,260	14,525	9,300	51,085	51,996
Dues to Affiliates	-	-	-	-	-	-	30,387	-	30,387	27,973
Inkind Expenditures	-	-	-	-	-	-	9,300	-	9,300	12,334
Other Expenses	136	602	280	8,232	16,718	25,968	26,220	9,810	61,998	38,052
Sub-Total	3,991	65,813	30,356	206,793	46,622	353,575	159,512	92,618	605,705	520,165
Total Functional Expense	\$ 1,932,531	\$ 237,307	\$ 70,871	\$ 675,777	\$ 176,821	\$ 3,093,307	\$ 449,829	\$ 271,888	\$ 3,815,024	\$ 3,847,678

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities:		
Increase (Decrease) in Net Assets	<u>\$ 182,503</u>	<u>\$ (2,158,776)</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	51,085	\$ 51,996
Unrealized (Gain) Loss on Investments	587,103	2,954,593
Realized (Gain) Loss on Investments	(1,529,475)	(1,622,337)
Minimum Pension Liability Adjustment	-	(157,010)
Increase (Decrease) in Allowance for Uncollectible Pledges	14,326	(90,666)
(Increase) Decrease in Operating Assets		
Pledges, Grants and Bequests Receivable	(54,483)	89,425
Investment Income Receivable	12,283	2,623
Other Receivables and Prepayments	(11,705)	48,469
Increase (Decrease) in Operating Liabilities		
Allocations Payable	-	(53,636)
Accrued Pension Cost	(1,039,039)	-
Other Liabilities	(40,839)	55,171
Net Adjustments	<u>(2,010,744)</u>	<u>1,278,628</u>
Net Cash Provided by (Used in) Operating Activities	<u>(1,828,241)</u>	<u>(880,148)</u>
Cash Flows From Investing Activities:		
Purchase of Investments	(41,982,615)	(27,000,472)
Proceeds from the Sale of Investments	43,893,622	28,247,640
Payments for Property and Equipment	(28,853)	(25,285)
Net Cash Provided by (Used in) Investing Activities	<u>1,882,154</u>	<u>1,221,883</u>
Cash Flows From Financing Activities:		
Payments on capital lease	(5,718)	(1,906)
Net Cash Provided by (Used in) Financing Activities	<u>(5,718)</u>	<u>(1,906)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>48,195</u>	<u>339,829</u>
Beginning Cash and Cash Equivalents	<u>2,889,964</u>	<u>2,550,135</u>
Ending Cash and Cash Equivalents	<u>\$ 2,938,159</u>	<u>\$ 2,889,964</u>

See the accompanying notes to financial statements.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 1 – NATURE OF OPERATIONS

The United Way of Broome County, Inc. (the Organization) is a non-profit corporation established February 1, 1954 as the United Fund of Broome County. The United Fund subsequently merged with the Broome County Social Planning Council in January of 1973 forming the current Organization. The Organization is governed by a volunteer board of directors with a mission to drive change that will have a positive impact on the critical needs of our community by strategically leveraging the collective resources of community partners. The Organization assesses community needs, solicits public contributions, and allocates those funds to programs of partner agencies that meet identified needs. The Organization also provides the following services: 2-1-1 (Information & Referral), Voluntary Engagement, Community Impact, Community Planning, and Community Investments.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

- A. Basis of Accounting-** The accompanying financial statements have been prepared using the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other assets and liabilities.
- B. Basis of Presentation-** Contributions received are recognized at fair value, including unconditional promises to give when the promise is made. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods (time restriction) or are restricted by the donor for specific purposes (purpose restriction) are reported as temporarily restricted support. All amounts accounted for in the current campaign year revenue are considered to be temporarily restricted, as those funds are designated for use in the succeeding year.

The Organization is a beneficiary under various Wills and trust agreements. Related amounts are recorded when either a Will is declared valid by a probate court or the Organization is notified as an irrevocable beneficiary of a trust and the proceeds are measurable. The Organization receives various grants from state, local, and private agencies for program and supporting services. These grants are generally on a cost reimbursement basis. Revenues from grants are recognized in the statement of activities when expenses are made for the purpose specified. Grant funds that have been received but have not yet been expended for the purposes specified are reported as temporarily restricted net assets.

Income and gains on investments are reported as increases in permanently restricted net assets, if the terms of the gift that gave rise to the investment require such amounts be added to permanent endowment principal. Income and gains are reported as increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income and/or the income is related to a donor-restricted endowment fund; they are reported as increases in unrestricted net assets in all other cases.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

- C. **Net Asset Classification** - In August 2008, The Financial Accounting Standards Board issued Staff Position No. 117-1: *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* (“FAS 117-1”) now located in Accounting Standards Codification (ASC) Topic 958-205, Financial Statement Presentation. ASC Topic 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”). ASC Topic 958-205 also improves disclosures about an organization’s endowment funds (both donor-restricted and board-designated endowment funds) whether or not the organization is subject to UPMIFA. See Note 7 regarding the ASC Topic 958-205.

Net Asset Classification - Net assets and revenues, and gains and losses, are classified based on the existence or absence of donor-imposed restrictions:

Unrestricted net assets - Net assets for which no donor has imposed any restrictions that the assets be used for a specific purpose or held for a certain period of time. Contributions received with time and/or purpose restrictions which are fully expended in the same period are classified as unrestricted.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may, or will, be met either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the use of all or part of the income earned on any related investment to be used for general or specific purposes.

- D. **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 amounts and disclosures. Actual results could differ from those estimates.
- E. **Income Taxes** - The Organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Accordingly, it is not liable for income taxes or federal unemployment insurance.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Allowance for Uncollectible Pledges - The Organization uses the allowance method to provide for uncollectible pledge receivables. The allowance is based on prior years' experience and management's analysis of specific promises made and applied to gross campaign. Pledges receivable that are not collected are subject to Board approval for write-off. At December 31, 2016 and 2015, respectively, management has deemed allowances of \$164,246 and \$149,920 to be adequate.

G. Functional Expenses - Expenses are charged to each program based upon direct expenditures incurred. Any program expenses not directly chargeable are allocated to programs based on time records and estimates made by management.

H. Donated Fixed Assets/Services - Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted, unless the donor has restricted the donated asset to a specific purpose.

The value of donated services is not reflected in the accompanying financial statements, since there is no objective basis available by which to measure the value of such services. However, the organization's management estimates that over 2,670 and 1,400 volunteers served during 2016 and 2015, respectively, as fund raisers, committee members, and/or participators in the annual Day of Caring, VITA, the Strategic Volunteer Engagement Committee, National Volunteer Week BCCOAD/Disaster Volunteers and activities organized in conjunction with Volunteer Administrators of the Southern Tier (VAST).

I. Compensated Absences - A liability is accrued where future vacation benefits are attributable to employee services already rendered. The obligation relates to rights that are accumulated or vested; payment of compensation is probable and can be reasonably estimated. At December 31, 2016 and 2015, this liability amounted to \$29,539 and \$45,602, respectively, and has been included in other liabilities in the accompanying financial statements.

J. Cash and Cash Equivalents - For purposes of the statements of cash flow, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

K. Property, Equipment, and Depreciation - The Organization considers expenditures of \$250 or more made for items expected to have a useful life of three years or more to be capital in nature. The fair value of donated fixed assets is similarly capitalized. Depreciation is then recorded for these assets as an expense, using the straight-line method over estimated useful lives, as follows:

	<u>Years</u>
Equipment, furniture and fixtures	3 - 10
Building and improvements	10 - 40
Intangible assets	5 - 10

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Property, Equipment, and Depreciation (continued) - At December 31, the cost basis of such assets was as follows:

<u>Asset Class</u>	<u>2016</u>	<u>2015</u>
Land	\$ 12,881	\$ 12,881
Building and Improvements	586,753	586,753
Equipment, Furniture and Fixtures	317,153	294,942
Intangible Assets	<u>88,387</u>	<u>81,745</u>
Total Costs	1,005,174	976,321
Less: Accumulated Depreciation	<u>(792,044)</u>	<u>(740,959)</u>
Net	\$ <u>213,130</u>	\$ <u>235,362</u>

L. Comparative Data - The data for the year ended December 31, 2015 has been included for comparison purposes only. It is not intended to fully reflect the Organization's financial position or results of activities for that period.

M. Advertising - The Organization expenses advertising charges as incurred. Advertising and promotional expenses for the years ended December 31, 2016 and 2015 were \$71,087 and \$91,765, respectively.

N. Agency Transactions - The Organization, acting as an agent, receives cash contributions from individuals, small businesses, large corporations and others. These donations are transferred to the designated recipients based on the wishes of the donor.

O. Investments - The Organization records investments in securities at the fair value on the date of purchase or when the donation is made, and recognizes the unrealized gain or loss resulting from the difference between cost and market value in the statement of activities. Investments with readily determinable fair values are stated at fair market value in the Statement of Financial Position.

P. Subsequent Events - The Organization has evaluated events and transactions that have occurred between January 1, 2017 and October 31, 2017, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Q. Reclassifications – Certain amounts from the 2015 financial statements have been reclassified to conform to the presentation for 2016. Net asset classifications previously reported were not impacted by these reclassifications.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at three banking institutions which are all insured by the Federal Deposit Insurance Corporation (FDIC) up to the first \$250,000. At various times throughout the year, cash balances held have exceeded this limit.

All interest bearing and all noninterest bearing accounts were insured up to \$250,000 by FDIC in 2016.

The Organization also maintains accounts with stock brokerage firms and has beneficial interests in trusts which maintain accounts with brokerage firms. The accounts contain cash, securities, and other investments. The balances are insured by the Securities Investors Protection Corporation (“SIPC”) up to \$500,000, with a \$250,000 limit for cash.

Credit risk for pledges receivable and contribution revenue is concentrated, as substantially all receivable balances and contributions earned are from individuals located within the same geographic region.

NOTE 4 – RISKS AND UNCERTAINTIES

Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the net assets of the Organization.

NOTE 5 – FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures, established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs, because they generally provide the most reliable evidence of fair value. There were no investments valued using Level 3 inputs.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 5 – FAIR VALUE MEASUREMENTS (continued)

Level 1 - Fair Value Measurements

The fair values of common stock, equity mutual funds, and U.S. Government securities are based on quoted market prices. The unit price for these investments held by the Organization are revalued and published on an actively traded market at least daily.

Level 2 - Fair Value Measurements

The fair values of auction rate preferred securities, corporate bonds, money market funds, bond funds, and government agency obligations are determined using quoted market prices currently available for securities with similar terms and maturity dates. Beneficial interests in trust are valued at the quoted market price of the securities held in trust, adjusted for the Organization's beneficial share of the trust.

Investment securities are subject to various risks, including credit, interest rate, and overall market risk. Due to these risks associated with investment securities, the amount the Organization will ultimately realize could differ materially from the estimated value in the near term.

Cash equivalents, investments, and beneficial interest in trusts are stated at fair value. The following table presents fair value measurement information for certain financial instruments.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 5 – FAIR VALUE MEASUREMENTS (continued)

		Fair Value Measurements at Reporting Date Using:		
		Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
		Cost		
December 31, 2016				
Cash equivalents	\$ <u>991,862</u>	\$ <u>991,862</u>	\$ <u>-</u>	\$ <u>991,862</u>
Beneficial interest in trusts	\$ <u>793,374</u>	\$ <u>809,717</u>	\$ <u>-</u>	\$ <u>809,717</u>
Debt securities – available for sale				
U.S. Government securities	\$ 374,721	\$ 372,399	\$ 372,399	\$ -
U.S. Government backed securities	-	-	-	-
Domestic and foreign corporate bonds	2,187,517	2,396,632	-	2,396,632
Taxable bond funds	<u>7,576,768</u>	<u>7,608,603</u>	<u>-</u>	<u>7,608,603</u>
Total debt securities available for sale	<u>10,139,006</u>	<u>10,377,634</u>	<u>372,399</u>	<u>10,005,235</u>
Equity securities – available for sale				
Domestic equities	8,673,320	9,668,351	9,668,351	-
Foreign equities	-	-	-	-
Domestic mutual equity funds	3,426,566	3,697,748	3,697,748	-
Foreign mutual equity funds	<u>1,540,813</u>	<u>1,705,634</u>	<u>1,705,634</u>	<u>-</u>
Total equity securities available for sale	<u>13,640,699</u>	<u>15,071,733</u>	<u>15,071,733</u>	<u>-</u>
Total investments	\$ <u>23,779,705</u>	\$ <u>25,449,367</u>	\$ <u>15,444,132</u>	\$ <u>10,005,235</u>

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 5 – FAIR VALUE MEASUREMENTS (continued)

		Fair Value Measurements at Reporting Date Using:		
		Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
		Cost		
December 31, 2015				
Cash equivalents	\$ <u>859,598</u>	\$ <u>859,598</u>	\$ <u>-</u>	\$ <u>859,598</u>
Beneficial interest in trusts	\$ <u>818,180</u>	\$ <u>805,484</u>	\$ <u>-</u>	\$ <u>805,484</u>
Debt securities – available for sale				
U.S. Government securities	\$ 312,093	\$ 326,855	\$ 326,855	\$ -
U.S. Government backed securities	26	26	-	26
Domestic and foreign corporate bonds	1,379,804	1,357,401	-	1,357,401
Taxable bond funds	<u>6,235,979</u>	<u>6,102,981</u>	<u>-</u>	<u>6,102,981</u>
Total debt securities available for sale	<u>7,927,902</u>	<u>7,787,263</u>	<u>326,855</u>	<u>7,460,408</u>
Equity securities – available for sale				
Domestic equities	11,252,517	13,291,532	13,291,532	-
Foreign equities	248,552	244,555	244,555	-
Domestic mutual equity funds	3,292,838	3,454,495	3,454,495	-
Foreign mutual equity funds	<u>1,654,876</u>	<u>1,644,393</u>	<u>1,644,393</u>	<u>-</u>
Total equity securities available for sale	<u>16,448,783</u>	<u>18,634,975</u>	<u>18,634,975</u>	<u>-</u>
Total investments	\$ <u>24,376,685</u>	\$ <u>26,422,238</u>	\$ <u>18,961,830</u>	\$ <u>7,640,408</u>

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 6 – RETIREMENT PLANS

The Organization sponsored a noncontributory defined benefit Pension Plan covering substantially all of its employees which was frozen as of October 1, 2011, at which point all accruals and new participation permanently ceased. Effective July 1, 2014, the Organization decided to terminate the Plan. On December 7, 2015, the IRS approved the termination of the Plan. In early January, 2016, the Organization purchased annuities for all eligible beneficiaries with total costs amounting to \$2,290,746. The amounts were accrued in the December 31, 2015 financial statements as the liability was set at that time.

The Plan provided normal, death, and disability benefits based on a percentage of qualifying compensation during the final 36 months of employment. The Organization's funding policy was to make at least the required annual contribution under applicable standards and attempt to increase the contribution to the recommended level when funding was available. Contributions are intended to provide for benefits earned prior to the Plan being frozen.

The Plan was amended effective July 1, 2010 to reduce the formula for future benefit accruals for each year of service from 1.50% of final average 3-year compensation in excess of Covered Compensation, to 1.0% of final average 5-year compensation. The early retirement factors were also adjusted.

Pension Plan Obligations and Funded Status as of December 31:	<u>2016</u>	<u>2015</u>
Projected benefit obligation	\$ _____ -	\$ <u>2,296,268</u>
Fair value of plan assets	\$ _____ -	\$ <u>1,257,229</u>
Funded Status	\$ _____ -	\$ <u>(1,039,039)</u>
Accumulated benefit obligation	\$ -	\$ 2,296,268
Employer contributions	-	-
Benefits paid and expense charges	-	92,823
Net periodic benefit cost	-	154,064

Amounts recognized in the statements of financial position

Accrued pension cost	\$ _____ -	\$ <u>1,039,039</u>
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UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 6 – RETIREMENT PLANS (continued)

	<u>2016</u>	<u>2015</u>
<u>Net Periodic Benefit Cost (Credit)</u>		
Service Cost	\$ -	\$ -
Interest Cost	-	62,620
Expected return on assets	-	(67,928)
Unrecognized (gain) loss	-	159,372
Curtailement credit	-	-
Unrecognized past service liability	-	-
Net periodic benefit cost (credit)	\$ <u>-</u>	\$ <u>154,064</u>
Net (gain) or loss	\$ (32,004)	\$ 1,009,241
Past service credit	-	-
<u>Less: Amounts previously recognized in unrestricted net assets not recognized as periodic pension costs</u>	<u>-</u>	<u>(1,323,848)</u>
Total charge to net assets	\$ <u>(32,004)</u>	\$ <u>(314,607)</u>

The following assumptions were used in accounting for the pension plan

Weighted Average Assumptions used to determine net periodic benefit cost

Discount Rate	N/A	2.50%
Long-term rate of return on plan assets	N/A	5.00%
Salary increase rate	N/A	N/A

Weighted Average Assumptions used to determine pension benefit obligations

Discount Rate	N/A	2.50%
Salary Increase Rate	N/A	N/A

Investment Policies and Strategies

Plan assets were invested in the diversified investment funds of the Pentegra Retirement Trust, a private placement investment fund. Due to the plan termination that was in progress at December 31, 2015, plan assets were invested 99% in a fixed income portfolio (LTGFI) and 1% in a cash equivalent fund (for liquidity). LTGFI is a diversified portfolio that invests in a number of fixed-income mutual funds and collective investment trusts.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 6 – RETIREMENT PLANS (continued)

Investment Policies and Strategies (continued)

The overall investment objective was to minimize interest rate risk in advance of the pending purchase of annuities in satisfaction of all remaining plan liabilities in conjunction with the ongoing plan termination.

Current Asset Allocation

The Organization's pension plan weighted-average asset allocations by asset category are as follows:

Asset Category	Plan assets at December 31, 2016	Plan assets at December 31, 2015
Fixed Income – Intermediate Duration (LTGFI)	-	99%
Cash Equivalents – Money Market	-	1%
Total	-	100%

<u>Major Categories of Plan Assets Fair Value Measurements</u>	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
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December 31, 2016

Fixed Income—Intermediate Duration (LTGFI)	\$ -	\$ -	\$ -
Cash Equivalents—Money Market	-	-	-
Total	\$ -	\$ -	\$ -

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
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NOTE 6 – RETIREMENT PLANS (continued)

Current Asset Allocation (continued)

<u>Major Categories of Plan Assets Fair Value Measurements</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
<u>December 31, 2015</u>			
Fixed Income—Intermediate Duration (LTGFI)	\$ 1,267,269	\$ -	\$ 1,267,269
Cash Equivalents—Money Market	<u>17,278</u>	<u>17,278</u>	<u>-</u>
Total	<u>\$ 1,284,547</u>	<u>\$ 17,278</u>	<u>\$ 1,267,269</u>

Level 1 - Fair Value Measurements

The fair values of equity mutual funds are based on quoted market prices. The unit price for these investments held in the Organization's pension account are revalued and published on an actively traded market at least daily.

Level 2 - Fair Value Measurements

The fair values of common collective trusts are determined using quoted market prices currently available for securities with similar terms and maturity dates.

Tax Deferred Annuity Plan

The Organization has adopted a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers all permanent employees of the Organization and is funded through employee voluntary contributions to the plan. There are no expenses for the Organization for this plan. Total employee contributions in 2016 and 2015 are \$10,500 and \$14,265, respectively.

SEP IRA Plan

The organization has adopted a SEP IRA plan for eligible permanent employees. Contributions to the plan made by the Organization are based on a percentage of the employees' earnings. The contribution rate for the years ended 2016 and 2015 was 3%. The rate of contribution was approved each year by the Board during the budget process. Total employer contributions amounted to \$15,127 and \$12,879 in 2016 and 2015, respectively.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

**NOTE 7 – TEMPORARILY RESTRICTED AND BOARD
DESIGNATED NET ASSETS**

Adoption of Uniform Prudent Management of Institutional Funds Act (UPMIFA) – The State of New York adopted UPMIFA effective September 17, 2010. As a result of that enactment, the Organization has adopted FAS 117-1, now located in Accounting Standards Codification (ASC) Topic 958-205, Financial Statement Presentation, for the year ending December 31, 2010. The Board of Directors, on the advice of legal counsel, has determined that the majority of the Organization's permanently restricted net assets meet the definition of endowment funds under UPMIFA. The Organization is governed subject to the Governing Documents of the Organization, and most contributions received are subject to the terms of the Governing Documents.

During the year ended December 31, 2010, the Organization reviewed all endowment funds and transferred to temporarily restricted net assets those amounts that are subject to UPMIFA that were previously classified as unrestricted. The total amount transferred amounted to \$4,230,375.

Board designated net assets are a result of two actions by the Board of Directors of the Organization. Effective December 31, 1996, the Board of Directors designated a portion of the unrestricted net asset balance of the trust and endowment funds to support a pledge to the annual campaign. This designation was made to reflect the spending policy of the Trust and Endowment Funds which allows contributions to the annual campaign from the trust and endowment funds of 5% of the fair market value of these funds. Therefore, the Board has reserved the lesser of the unrestricted portion of the trust and endowment funds or the portion of the available net assets needed to meet the succeeding year pledge from the trust and endowment funds. The Board had reserved an additional \$1,000,000 in 2014 for termination of the defined benefit plan which was paid in January 2016 (see Note 6). The amount reserved based upon this formula amounted to \$9,459,270 and \$9,485,145 at December 31, 2016 and 2015, respectively.

In addition, the Board has established a reserve equal to two months' allocation expense in 2016 and one month's in 2015 as a contingency fund. The total amount reserved under these policies was \$558,492 and \$496,077 for 2016 and 2015, respectively.

Temporarily restricted net assets result primarily from timing restrictions on campaign pledges received in the current fiscal year but designated for use in the next fiscal year and the portion of perpetual endowment funds subject to a time restriction under UPMIFA.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 7 – TEMPORARILY RESTRICTED AND BOARD DESIGNATED NET ASSETS (continued)

The following is a table of the composition of temporarily restricted assets as of the end of the year.

	<u>2016</u>	<u>2015 (Restated)</u>
Deferred campaign revenue	\$ 1,362,034	\$1,339,907
Donor restricted endowment funds	6,244,789	6,335,902
Flood relief contributions	37,120	37,120
Deferred grant income	51,844	6,309
Deferred sponsorship income	10,936	8,655
Interest beneficial trusts	<u> -</u>	<u> -</u>
Total	\$ <u>7,706,723</u>	\$ <u>7,727,893</u>

NOTE 8 – PERMANENTLY RESTRICTED NET ASSETS

The following is a table of the composition of permanently restricted net assets as of the end of the year:

	<u>2016</u>	<u>2015</u>
Donor restricted endowment	\$ 10,540,730	\$ 10,514,855
Donor restricted interest in beneficial trusts	<u>809,717</u>	<u>805,484</u>
Total	\$ <u>11,350,447</u>	\$ <u>11,320,339</u>

NOTE 9 – ENDOWMENTS

The Organization's endowment includes both donor-restricted endowments and funds designated by the Board of Directors to function as endowments. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 9 – ENDOWMENTS (continued)

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the State of New York as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted funds, absent any explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the funds.
2. The purposes of the Organization and the donor-restricted endowment funds.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policies of the Organization.

Return objectives and risk parameters- The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods, as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested to provide an average rate of return of approximately nine percent annually. Actual returns in any given year may vary from this amount.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
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(See Independent Auditor's Report)

NOTE 9 – ENDOWMENTS (continued)

Strategies employed for achieving objectives - To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investment to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objective relates to spending policy - Distribution of endowment funds are approved annually by the Trust Fund Committee. A guideline for distributions from the two main trust and endowment funds is calculated based upon 5% of the five-year average of the fair market value of these two funds as of June 30 of each year. The amount approved for distribution from these two funds was \$1,050,000 and \$1,050,000 for 2016 and 2015, respectively. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average of four percent annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Distributions from the Emergency and Capital Needs Fund are approved annually by the Trust Fund Committee and caps the annual distribution to a five-year average of the fair market value of the account, less 120% of the original restricted bequest. To establish the approved maximum distribution from the Emergency & Capital Needs Fund, the Trust Fund Committee also considers the projected income from the fund for the next year, the estimated funding requests, and the amount of emergency funds remaining from the prior year(s). Distributions from the Robert L. McDevitt Fund are based upon the income earned, as the donor has stipulated that any income not distributed will revert to restricted balances.

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 9 – ENDOWMENTS (continued)

The following tables report endowment net asset composition and changes in net assets by type of fund:

<u>Changes in Endowment Net Assets for the Year Ended</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
December 31, 2016				
Endowment net assets, beginning of the year	\$ 10,799,566	\$ 6,335,902	\$ 10,514,855	\$ 27,650,323
Contributions	221,107	-	25,875	246,982
Appropriation of endowment funds for pension termination	(1,007,035)	-		(1,007,035)
Appropriation of endowment funds for Community Investments and Community Impact Activity	(702,717)	(868,611)	-	(1,571,328)
Investment Return:				
Investment income	222,109	322,674	-	544,783
Realized and unrealized appreciation (depreciation)	<u>482,110</u>	<u>454,824</u>	<u>-</u>	<u>936,934</u>
Total	\$ <u>10,015,140</u>	\$ <u>6,244,789</u>	\$ <u>10,540,730</u>	\$ <u>26,800,659</u>

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 9 – ENDOWMENTS (continued)

<u>Changes in Endowment Net Assets for the Year Ended</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
December 31, 2015				
Endowment net assets, beginning of the year	\$ 11,796,013	\$ 7,656,442	\$ 10,494,855	\$ 29,947,310
Contributions	-	-	20,000	20,000
Appropriation of endowment funds for Community Investments and Community Impact Activity	(686,388)	(955,895)	-	(1,642,283)
Investment Return:				
Investment income	247,269	325,081	-	572,350
Realized and unrealized appreciation (depreciation)	(557,328)	(689,726)	-	(1,247,054)
Total	\$ <u>10,799,566</u>	\$ <u>6,335,902</u>	\$ <u>10,514,855</u>	\$ <u>27,650,323</u>

Net Asset Composition

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
December 31, 2016				
Donor restricted endowment	\$ -	\$ 6,244,789	\$ 10,540,730	\$ 16,785,519
Board-designated endowment	<u>10,015,140</u>	-	-	<u>10,015,140</u>
Total	\$ <u>10,015,140</u>	\$ <u>6,244,789</u>	\$ <u>10,540,730</u>	\$ <u>26,800,659</u>
December 31, 2015				
Donor restricted endowment	\$ -	\$ 6,335,902	\$ 10,514,855	\$ 16,850,757
Board-designated endowment	<u>10,799,566</u>	-	-	<u>10,799,566</u>
Total	\$ <u>10,799,566</u>	\$ <u>6,335,902</u>	\$ <u>10,514,855</u>	\$ <u>27,650,323</u>

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 10 – BENEFICIAL INTEREST IN TRUST

The Organization has recognized as contributions the United Way's respective beneficial interest in two perpetual trusts.

Under the terms of the perpetual trusts, the Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The Organization has recorded the asset at the estimated fair value of the Organization's share of the beneficial interest in trust assets. Income earned on the trust assets is recorded as unrestricted revenue in the accompanying statement of activities unless otherwise restricted by the donor. Changes in fair value of the beneficial interest in the trust assets are recorded as unrealized gains or losses in the permanently restricted net asset class.

A summary of the Beneficial Interest in Trusts is as follows:

	<u>2016</u>	<u>2015</u>
Perpetual trusts	\$ <u>809,717</u>	\$ <u>805,484</u>

NOTE 11 – GOVERNMENT CAMPAIGNS

The Organization served as the campaign agent for the Broome County State Employees Campaign for both 2016 and 2015. Amounts raised as part of this campaign are included in Gross Campaign results reported. The following is a summary of the campaign results. For processing the campaign, the Organization expects to collect \$9,444 or approximately 7% of the total campaign in 2016.

	<u>2016</u>	<u>2015</u>
Gross Campaign-Broome County State Employees	\$ 139,706	\$ 143,406
Less: amounts designated to other agencies	<u>(84,445)</u>	<u>(84,922)</u>
Net campaign revenue	\$ <u>55,261</u>	\$ <u>58,484</u>

The Organization started to serve as the campaign agent for the Chemung County State Employees Campaign in 2015. Amounts raised as part of this campaign are included in Gross Campaign results reported. The following is a summary of the campaign results. From processing the campaign, the Organization expects to collect \$3,439 or approximately 11% of the total campaign in 2016

	<u>2016</u>	<u>2015</u>
Gross Campaign-Chemung County State Employees	\$ 31,376	\$ 32,143
Less: amounts designated to other agencies	<u>(31,276)</u>	<u>(32,143)</u>
Net campaign revenue	\$ <u>100</u>	\$ <u>-</u>

UNITED WAY OF BROOME COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015
(See Independent Auditor's Report)

NOTE 11 – GOVERNMENT CAMPAIGNS (continued)

The Organization started to serve as the campaign agent for the Steuben/Yates County State Employees Campaign in 2015. Amounts raised as part of this campaign are included in Gross Campaign results reported. The following is a summary of the campaign results. From processing the campaign, the Organization expects to collect \$2,414 or approximately 19% of the campaign.

	<u>2016</u>	<u>2015</u>
Gross Campaign- Steuben/Yates County State Employees	\$ 12,650	\$ 10,108
Less: amounts designated to other agencies	<u>(12,650)</u>	<u>(10,108)</u>
Net campaign revenue	<u>\$ _____ -</u>	<u>\$ _____ -</u>

NOTE 12 – SUBSEQUENT EVENTS

On November 30, 2016 the Organization's Board approved changing its fiscal year from ending December 31 of a given year to June 30 of a given year. As a result, the Organization's first new fiscal year will be a short year January 1 to June 30, 2017.

NOTE 13 – PRIOR PERIOD ADJUSTMENT

During 2016 management determined that the previously issued financial statements for 2015 required correction due to the inadvertent overstatement of net assets released from temporarily restricted in the general fund. The beginning temporarily restricted and unrestricted net assets as of January 1, 2016 have been restated by \$160,831 to correct the misstatement.

The effect of this adjustment as of January 1, 2016 was to increase beginning temporarily restricted net assets by \$160,831 and decrease beginning unrestricted net assets by \$160,831.

**UNITED WAY OF BROOME COUNTY, INC.
SCHEDULE OF ALLOCATIONS AND GRANTS
FOR THE YEAR ENDED
DECEMBER 31, 2016**

Local Member Agencies:

ACCORD	\$	14,000
Action for Older Persons		36,925
American Civic Association		29,266
American Red Cross, Southern Tier Chapter		239,945
Baden-Powell Council, Boy Scouts of America		76,760
Boys and Girls Club of Binghamton		159,940
Boys and Girls Club of Western Broome		123,125
Catholic Charities of Broome County		192,521
Crime Victims Assistance Center		19,709
Deposit Foundation, Inc.		15,194
Family and Children's Society		95,000
Family Planning of South Central NY		59,445
Girl Scouts of NYPENN Pathways		39,950
Handicapped Children's Association		6,500
Jewish Community Center		97,541
Literacy Volunteers of Broome/Tioga		13,245
Mental Health Association		72,035
Mothers & Babies Perinatal Network of South Central New York		26,000
Rise NY a/k/a SOS Shelter		70,000
Salvation Army		53,253
Southern Tier Alternative Therapies		6,859
Wilson Children's Center		46,000
Young Men's Christian Association		269,490
Young Women's Christian Association		76,000
Subtotal Local Partner Agencies		1,838,703

Other Allocations and Grants:

Venture Grant and Miscellaneous Grants		366,412
Capacity Building Fund		30,100

TOTALS	\$	2,235,215
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See independent auditor's report.

**UNITED WAY OF BROOME COUNTY, INC.
SCHEDULE OF SERVICES RENDERED
YEAR ENDED DECEMBER 31, 2016**

Community Investments

Program Expenditures **\$ 1,932,531**

The **Community Investment** function supports the work of community volunteers in making recommendations to the Board of Directors on the allocation of organizational resources. Campaign and trust fund proceeds are provided to support community priorities as developed through community planning and engagement efforts. Community volunteer recommendations include the allocation of funds for funded partner programs, Planned Capital Grants, Emergency grants, and Venture Grants. Funds are monitored to insure that agreed upon goals for each program/project are met in an economical and effective manner. Periodic and annual program and financial reports of funded agencies are submitted for careful review by the community volunteers.

2-1-1

Program Expenditures **\$ 237,307**

The **2-1-1** information and referral program, links people in need with the appropriate service in Broome, Tioga, Chenango, Delaware and Otego Counties and maintains an extensive database of agency and program information.

Volunteer Engagement

Program Expenditures **\$ 70,871**

The **Volunteer Engagement** function supports efforts to engage individuals in service opportunities throughout the community. This includes the mobilization of more than 800 community volunteers annually as part of United Way's Annual Day of Caring. Efforts to mobilize young people through Student United Way are also supported through this function. The mobilization of community volunteers is becoming an increasingly important function as United Way seeks to align volunteer efforts with community priorities.

Community Impact & Initiatives Programs

Program Expenditures **\$ 675,777**

Community Impact & Initiatives Programs refers to efforts designed to bring about lasting community change on a limited number of priority issues. This includes training and community events to build capacity around the Community Impact Model as well as the management and direct delivery of services such as the Healthy Lifestyles Coalition and other multi-partner collaborative community programs.

**UNITED WAY OF BROOME COUNTY, INC.
SCHEDULE OF SERVICES RENDERED
YEAR ENDED DECEMBER 31, 2016**

Community Planning and Relations

Program Expenditures **\$ 176,821**

The **Community Planning and Relations** function develops community partnerships, linkages, and coalitions aimed at seeking solutions to human services issues. It assists in the identification of current human service needs, and evaluates the services provided to meet those needs.

See independent auditor's report.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Broome County, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Broome County, Inc. (a nonprofit organization), which comprises the statement of financial position as of December 31, 2016 and 2015, and the related statements of cash flows for the years then ended, and the accompanying statements of activities and functional expenses for the year ended December 31, 2016 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 Broome County, Inc as of December 31, 2016 and 2015, and the changes in its net assets for the year ended December 31, 2016 and its cash flows for the years ended December 31, 2016 and 2015 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the 2015 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules on pages 26-28 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the United Way of Broome County, Inc's. 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Davidson, Fox + Company, LLP

Binghamton, New York
October 31, 2017