

**UNITED WAY OF THE ADIRONDACK REGION, INC.
FINANCIAL REPORT
DECEMBER 31, 2017**

UNITED WAY OF THE ADIRONDACK REGION, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of the Adirondack Region, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the United Way of the Adirondack Region, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2017, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way of the Adirondack Region, Inc. as of December 31, 2017, 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.

Correction of Error

As described in Note 12 to the financial statements, omission of accrued compensated absences was discovered by management of the United Way of the Adirondack Region, Inc. during 2017. Accordingly, amounts previously reported as accounts payable and accrued expenses and staff salaries have been restated in the 2016 financial statements now presented, and an adjustment has been made to net assets as of December 31, 2016, to correct the error. Our opinion is not modified with respect to that matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The general campaign schedule of allocations to member agencies and State Employees Federation Appeal schedule of allocations to member agencies on pages 16 through 18 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 the Adirondack Region, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 22, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Marvin and Company, P.C.

Queensbury, NY

June 25, 2018

UNITED WAY OF THE ADIRONDACK REGION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016

	ASSETS			Restated
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Totals</u>	<u>2016 Totals</u>
Assets				
Cash	\$ 75,554	\$ 182,173	\$ 257,727	\$ 255,038
Investments	590,636	-	590,636	521,200
Prepaid expenses	-	-	-	5,100
Accounts/grants receivable	6,259	-	6,259	6,282
Pledges receivable	100,885	223,953	324,838	463,116
Allowance for uncollectable pledges	(48,000)	-	(48,000)	(47,000)
Land, buildings, and equipment (net)	137,225	-	137,225	142,607
TOTAL ASSETS	<u>\$ 862,559</u>	<u>\$ 406,126</u>	<u>\$ 1,268,685</u>	<u>\$ 1,346,343</u>

LIABILITIES AND NET ASSETS

Liabilities				
Accounts payable and accrued expenses	\$ 27,366	\$ -	\$ 27,366	\$ 56,518
Agency allocations payable	25,629	-	25,629	22,229
Positive designations payable	-	284,753	284,753	293,538
Total Liabilities	<u>52,995</u>	<u>284,753</u>	<u>337,748</u>	<u>372,285</u>
Net Assets				
Unrestricted	218,928	-	218,928	285,605
Board designated - endowment fund	590,636	-	590,636	521,200
Temporarily restricted	-	121,373	121,373	167,253
Total Net Assets	<u>809,564</u>	<u>121,373</u>	<u>930,937</u>	<u>974,058</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 862,559</u>	<u>\$ 406,126</u>	<u>\$ 1,268,685</u>	<u>\$ 1,346,343</u>

UNITED WAY OF THE ADIRONDACK REGION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Totals</u>	<u>Restated 2016 Totals</u>
Revenues, Gains, and Other Support				
Campaign pledges	\$ 304,905	\$ 402,846	\$ 707,751	\$ 748,509
Less positive designations	-	(284,753)	(284,753)	(293,538)
Total Contributions	<u>304,905</u>	<u>118,093</u>	<u>422,998</u>	<u>454,971</u>
Other Revenue				
Grants	19,116	-	19,116	24,125
Donations and bequests	-	-	-	860
United Way allocation	129,621	-	129,621	130,210
Special events income	30,158	-	30,158	25,035
Less cost of events	(19,544)	-	(19,544)	(18,934)
Investment income (loss)	69,584	-	69,584	52,836
Net assets released from restrictions	<u>163,973</u>	<u>(163,973)</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Other Support	<u>697,813</u>	<u>(45,880)</u>	<u>651,933</u>	<u>669,103</u>
Allocations and Expenses				
Allocations to member agencies	602,051	-	602,051	611,569
Less positive designations	(293,538)	-	(293,538)	(321,639)
Allocations	<u>308,513</u>	<u>-</u>	<u>308,513</u>	<u>289,930</u>
Program services	253,333	-	253,333	239,274
Management and general	115,846	-	115,846	129,727
Fundraising	<u>17,362</u>	<u>-</u>	<u>17,362</u>	<u>22,913</u>
Total Allocations and Expenses	<u>695,054</u>	<u>-</u>	<u>695,054</u>	<u>681,844</u>
Change in Net Assets	2,759	(45,880)	(43,121)	(12,741)
Net Assets, Beginning of Year, as Previously Stated	806,805	167,253	974,058	1,009,479
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,680)</u>
Net Assets, Beginning of Year, as Restated	<u>806,805</u>	<u>167,253</u>	<u>974,058</u>	<u>986,799</u>
Net Assets at End of Year	<u>\$ 809,564</u>	<u>\$ 121,373</u>	<u>\$ 930,937</u>	<u>\$ 974,058</u>

See accompanying notes to financial statements.

UNITED WAY OF THE ADIRONDACK REGION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED 2016

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2017 Totals</u>	<u>Restated 2016 Totals</u>
Employee Compensation					
Staff salaries	\$ 117,762	\$ 73,094	\$ 12,182	\$ 203,038	\$ 200,024
Payroll taxes/insurance	9,428	5,852	974	16,254	16,234
Pension plan	11,286	7,006	1,168	19,460	19,614
Health insurance	11,295	7,010	1,168	19,473	22,660
Total Employee Compensation	<u>149,771</u>	<u>92,962</u>	<u>15,492</u>	<u>258,225</u>	<u>258,532</u>
Operating Expenses					
Allocations to member agencies	602,051	-	-	602,051	611,569
Less positive designations	<u>(293,538)</u>	<u>-</u>	<u>-</u>	<u>(293,538)</u>	<u>(321,639)</u>
Allocations	308,513	-	-	308,513	289,930
Other allocations	3,654	-	-	3,654	2,264
Seed grants	7,000	-	-	7,000	8,750
Grant expenditures	17,023	-	-	17,023	16,500
Campaign supplies	2,882	2,883	-	5,765	11,009
Marketing and PR	3,001	-	-	3,001	3,172
Unallocated payments to affiliate organizations	8,800	-	-	8,800	9,083
Leadership Society	33	-	-	33	-
Conference and meetings	2,810	1,745	291	4,846	4,324
Dues and subscriptions	4,287	-	-	4,287	3,209
Insurance	2,551	2,173	-	4,724	4,722
Office supplies and expense	1,450	1,131	319	2,900	3,336
Postage	1,294	1,126	394	2,814	3,140
Miscellaneous	381	188	-	569	275
Professional fees	3,580	3,050	-	6,630	6,419
Repairs and maintenance	651	554	-	1,205	1,842
Communication	3,771	2,340	390	6,501	6,174
Staff travel	2,429	1,507	250	4,186	3,885
Rent	1,163	722	120	2,005	1,827
Utilities	808	688	-	1,496	2,816
Building maintenance	2,702	2,301	-	5,003	4,386
Bank and credit card fees	654	-	106	760	552
Depreciation	2,906	2,476	-	5,382	4,994
Uncollectable pledges	29,732	-	-	29,732	30,703
Total Operating Expenses	<u>412,075</u>	<u>22,884</u>	<u>1,870</u>	<u>436,829</u>	<u>423,312</u>
Total	<u>\$ 561,846</u>	<u>\$ 115,846</u>	<u>\$ 17,362</u>	<u>\$ 695,054</u>	<u>\$ 681,844</u>

See accompanying notes to financial statements.

UNITED WAY OF THE ADIRONDACK REGION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>Retated</u> <u>2016</u>
Cash Flows Provided by Operating Activities		
Change in net assets	\$ (43,121)	\$ (12,741)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Realized and unrealized (gain) loss on investments	(42,390)	(38,287)
Uncollectable pledge expense	29,732	30,703
Depreciation	5,382	4,994
(Increase) decrease in assets:		
Pledges receivable	109,546	(17,593)
Prepaid expenses	5,100	(5,100)
Accounts/grants receivable	23	3,278
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(29,152)	22,246
Agency allocations payable	3,400	(4,263)
Positive designations payable	(8,785)	(28,101)
Net Cash Provided (Used) By Operating Activities	<u>29,735</u>	<u>(44,864)</u>
Cash Flows Used by Investing Activities		
Purchase of investments	(144,046)	(180,884)
Proceeds from sale of investments	117,000	173,990
Additions to land, buildings and equipment	-	(7,147)
Net Cash Used by Investing Activities	<u>(27,046)</u>	<u>(14,041)</u>
Net Increase (Decrease) in Cash	2,689	(58,905)
Cash at Beginning of Year	<u>255,038</u>	<u>313,943</u>
Cash at End of Year	<u>\$ 257,727</u>	<u>\$ 255,038</u>

UNITED WAY OF THE ADIRONDACK REGION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. ORGANIZATION AND NATURE OF ACTIVITIES

United Way of the Adirondack Region, Inc. (the Organization) is a non-profit human services organization established to collectively campaign for funds to distribute to participating non-profit member agencies and to coordinate a variety of programs, initiatives and events. The Organization is one of 1,300 independent and autonomous chapters of United Ways Worldwide. The Organization conducts its activities in Clinton, Essex and Franklin counties of New York State. The Organization is run by a voluntary board of directors who serve on the board for an unlimited number of two-year terms.

Annual Fundraising Campaign

The Organization assesses communities' health and human services needs, operates and/or coordinates numerous programs, raises money through its annual campaign, and distributes funds to meet those needs through an allocations process. Funds are solicited from businesses, employees of those businesses and individuals within the Organization's area of operations during the annual campaign, which runs each year from August through February of the following year. The Allocations Committee, comprised of 10 volunteers, reviews applications, visits agencies, and makes recommendations to the board of directors for the distribution of unrestricted contributions to local organizations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of United Way of the Adirondack Region, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Financial Statement Presentation

The Organization has adopted Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, 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.

Comparative Data

The amounts shown for the year ended December 31, 2016 in the accompanying financial statements are included to provide a basis for comparison with 2017 and present summarized totals only. Accordingly, the 2016 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

UNITED WAY OF THE ADIRONDACK REGION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Organization's revenue is primarily derived from contributions pledged during annual campaigns. Contributions including promises to give received in the current year for the current year annual fundraising campaign are recorded as unrestricted public support. Contributions including promises to give received in the current year for the subsequent year annual fundraising campaign are recorded as temporarily restricted public support.

In-kind contributions are reflected as contributions at their fair value at the date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

The Organization also receives a variety of grants, primarily from New York State, to assist in its operations and fund various programs. These grants are reimbursement driven, that is an application for payment is made after expenditures are made, thus are reported as unrestricted support. Revenue is recognized when the expenditures have been made and an application for payment has been submitted.

Restrictions on Net Assets

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 restrictions.

Distributions to Agencies

Unconditional promises to give cash are recognized as positive designated donations (liabilities) and distributions to agencies at the time the Board of Directors authorizes them.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments and repurchase agreements with an original maturity of 90 days or less to be cash equivalents.

UNITED WAY OF THE ADIRONDACK REGION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Land, Buildings and Equipment

Purchased equipment is carried at cost. Donated equipment is carried at fair value as of the date of the gift. The Organization reports gifts of land, buildings, and equipment 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 reported as temporarily restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over the fair value of the asset.

Depreciation of property and equipment is computed using straight-line methods at rates based on the estimated useful lives as follows:

Furniture and equipment	5 to 10 years
Land improvements	10 to 15 years
Building improvements	15 to 40 years
Building	40 Years

Depreciation expense for the years ended December 31, 2017 and 2016 was \$5,382 and \$4,994, respectively.

Expenditures for major renewals and betterments that extend the useful lives of buildings and equipment with a cost of more than \$5,000 are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Functional Allocation of Expenses

Program expenses have been reported on a functional basis based on direct expenses incurred. Any expense not directly chargeable to program service, fundraising or management and general activities is allocated based upon estimates made by management.

Advertising Expenses

The Organization expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2017 and 2016 was \$3,001 and \$3,172, respectively.

Income Taxes

United Way of the Adirondacks Region, Inc. is an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

UNITED WAY OF THE ADIRONDACK REGION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Taxes

Under Accounting Standards Codification (ASC) Section 740, the tax status of tax-exempt entities is an uncertain tax position, since events could potentially occur that jeopardize tax-exempt status. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain tax position that more than likely would not be sustained upon the examination by the IRS. Management has analyzed the tax positions taken by the Organization and is not aware of any events that could jeopardize its tax-exempt status. Therefore, no liability or provision for income tax has been reflected in the financial statements.

Pledges Receivable

Promises to give are recorded net of an allowance for expected uncollectable amounts. This allowance is established based upon management's estimates.

Pledges receivable at December 31, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Receivable in less than one year	\$ 324,838	\$ 463,116
Less: allowance for uncollectable pledges	<u>48,000</u>	<u>47,000</u>
Net Pledges Receivable	<u>\$ 276,838</u>	<u>\$ 416,116</u>

Provision for uncollectable pledges is recorded as the uncollectable portion of the prior year's pledges. The provision for uncollectable pledges for December 31, 2017 and 2016 was \$29,732 and \$30,703, respectively.

Investments

The Organization has adopted Accounting Standards Codification 958, *Not-for-Profit Entities*, which requires the Organization to report investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

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 reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

UNITED WAY OF THE ADIRONDACK REGION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

3. LAND, BUILDINGS AND EQUIPMENT

Summary of land, buildings and equipment, net, as of December 31, 2017 and 2016, is as follows:

	<u>2017</u>	<u>2016</u>
Land	\$ 70,632	\$ 70,632
Buildings	153,942	153,942
Furniture and equipment	<u>61,284</u>	<u>61,284</u>
	285,858	285,858
Less accumulated depreciation	<u>148,633</u>	<u>143,251</u>
Land, Buildings and Equipment, Net	<u>\$ 137,225</u>	<u>\$ 142,607</u>

4. FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value under accounting principles generally accepted in the United States of America. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are described as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for the years ended December 31, 2017 and 2016.

Investments in equities and mutual funds are valued at their closing price on the last day of the fiscal year and are valued based on quoted market prices within active markets. For U.S. government securities, agency obligations and corporate bonds the Organization utilizes matrix pricing from a third party pricing vendor to determine fair value pricing. Matrix prices are based on quoted prices for securities with similar coupon, ratings and maturities, rather than on specific bids and offers for the designated security. There were no changes in the valuation techniques in the current year, nor were there any transfers between Level 1, Level 2 or Level 3.

UNITED WAY OF THE ADIRONDACK REGION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

4. FAIR VALUE MEASUREMENTS

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis at December 31, 2017 and 2016 are as follows:

	<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>Unobservable Inputs (Level 3)</u>
December 31, 2017				
Money Market Funds	\$ 28,696	\$ 28,696	\$ -	\$ -
Certificates of Deposit	106,911	-	106,911	-
Exchange Traded Funds	147,939	147,939	-	-
Mutual Funds				
Small Cap Funds	27,815	27,815	-	-
Open End Funds	238,289	238,289	-	-
Growth Funds	40,986	40,986	-	-
Total	<u>\$ 590,636</u>	<u>\$ 483,725</u>	<u>\$ 106,911</u>	<u>\$ -</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>Unobservable Inputs (Level 3)</u>
December 31, 2016				
Money Market Funds	\$ 12,851	\$ 12,851	\$ -	\$ -
Certificates of Deposit	70,012	-	70,012	-
Equities	132,944	132,944	-	-
Mutual Funds				
Small Cap Funds	38,689	38,689	-	-
Open End Funds	233,283	233,283	-	-
Growth Funds	33,421	33,421	-	-
Total	<u>\$ 521,200</u>	<u>\$ 451,188</u>	<u>\$ 70,012</u>	<u>\$ -</u>

UNITED WAY OF THE ADIRONDACK REGION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

5. INVESTMENT INCOME

The components of net investment income for the years ended December 31, 2017 and 2016 are:

	<u>2017</u>	<u>2016</u>
Dividends and interest	\$ 27,194	\$ 14,549
Net realized and unrealized gains (losses)	42,390	38,287
Net investment income (loss)	<u>\$ 69,584</u>	<u>\$ 52,836</u>

6. TEMPORARILY RESTRICTED NET ASSETS

The Organization's temporarily restricted net assets at December 31, 2017 and 2016 totaled \$121,373 and \$167,253, respectively and represent time restricted donations.

7. BOARD-DESIGNATED ENDOWMENT

The board of directors has established a general endowment fund to provide for the long-term financial stability of the Organization. The endowment was funded by a donation that was restricted as to the length of time the funds had to be held. This restriction has expired and the board designated the endowment funds continue to be held in a designated fund. Because the endowment is now an internally designated fund and is no longer donor restricted, it is classified and reported as unrestricted net assets.

The Organization has a spending policy of appropriating the earnings on the fund for each year to be available for general operations. In addition, distributions of \$10,000 or less are available for special uses, such as capital purchases and improvements, with a vote of two-thirds of a quorum of the board. Amounts greater than \$10,000 may be withdrawn for these purposes with the approval of two-thirds of the full board of directors.

Composition of and changes in general endowment funds for the years ended December 31, 2017 and 2016 consisted of:

	<u>2017</u>	<u>2016</u>
Board-designated endowment funds, beginning of year	\$ 521,200	\$ 476,019
Interest and dividend income	27,046	14,393
Net appreciation (depreciation)	42,390	38,288
Distributions	-	(7,500)
Board-designated endowment funds, end of year	<u>\$ 590,636</u>	<u>\$ 521,200</u>

UNITED WAY OF THE ADIRONDACK REGION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

8. OPERATING LEASES

During 2017, the Organization entered into a non-cancellable operating lease for equipment which expires in April 2022.

Total rent expense for this lease for the years ended December 31, 2017 and 2016 was \$2,005 and \$1,827, respectively. The following is a schedule of future minimum rental payments under the lease for the years ended December 31:

2018	\$ 1,644
2019	1,644
2020	1,644
2021	1,644
2022	548
	<u>\$ 7,124</u>

9. EMPLOYEE BENEFITS

The Organization provides employees with 90 days of service benefits for a retirement plan with 10% of their yearly salary contributed to a 403(b) annuity and health insurance with the Organization paying 80% of the cost of single coverage or 60% of the cost of family coverage. Employee benefits for the years ended December 31, 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Retirement	\$ 19,460	\$ 19,614
Health insurance	19,473	22,660
Total	<u>\$ 38,933</u>	<u>\$ 42,274</u>

10. SPECIAL EVENTS

Special events during the years ended December 31, 2017 and 2016 consisted of:

	<u>2017</u>	<u>2016</u>
Golf Tournament		
Revenue	\$ 21,856	\$ 16,448
Less: Costs of direct benefits to donors	7,280	7,265
Less: Other direct expenses	4,013	3,693
Net revenue	<u>\$ 10,563</u>	<u>\$ 5,490</u>
Annual Campaign Kick-off events		
Revenue	\$ 8,302	\$ 8,587
Less: Costs of direct benefits to donors	8,159	7,969
Less: Direct expenses	92	7
Net revenue	<u>\$ 51</u>	<u>\$ 611</u>

**UNITED WAY OF THE ADIRONDACK REGION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

11. IN-KIND CONTRIBUTIONS

A substantial number of volunteers have contributed significant amounts of time to the Organization's fund-raising campaigns and program services. These services do not meet the criteria for recognition under generally accepted accounting principles; accordingly the value of volunteer time has not been reflected in the financial statements.

12. RESTATEMENT OF FINANCIAL STATEMENTS AND PROIR PERIOD ADJUSTMENT

During the year ended December 31, 2017, the Organization determined that it had not recorded compensated absences in accordance with accounting principles generally accepted in the United States of America. The financial statements for the year ended December 31, 2016 have been restated to properly reflect accounts payable and accrued expenses, and change in net assets as follows:

	<u>2016</u>	
	<u>As previously reported</u>	<u>Restated</u>
Total allocations and expenses	\$ 681,243	\$ 681,844
Change in net assets	(12,140)	(12,741)
Accounts payable and accrued expenses	\$ 33,237	\$ 56,518
Net assets	997,339	974,058

The cumulative effect of recording compensated absences decreases beginning net assets for 2016 by \$22,680.

13. RISKS AND UNCERTAINTIES

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, 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 Organization's account balances and the amounts reported in the statement of financial position.

14. SUBSEQUENT EVENTS

Management has evaluated events subsequent to the statement of financial position date of December 31, 2017 through June 25, 2018, which is the date these financial statements were available to be issued, and have determined that there are no subsequent events that require recording or disclosure.

UNITED WAY OF THE ADIRONDACK REGION, INC.
GENERAL CAMPAIGN
SCHEDULES OF ALLOCATIONS TO MEMBER AGENCIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Adirondack Community Action Programs of Essex County	\$ 15,894	\$ 14,123
American Red Cross - N.C.	5,000	-
AuSable Valley Habitat for Humanity	4,700	4,707
Barnabas House	6,000	6,308
Behavioral Health Services North	41,745	46,270
Boy Scouts of America-Twin Rivers Council	3,245	5,649
Catholic Charities-Clinton/Essex	1,334	2,002
Catholic Charities of Malone	5,700	5,649
Champlain Children's Learning Center	5,000	1,225
Champlain Valley Family Center	4,500	2,644
Child Care Coordinating Council	15,000	19,772
Citizen's Advocates, Inc.	8,000	8,474
Compassionate Friends	502	2,440
Cornell Cooperative Extension - Franklin	4,000	-
CVES Career Pathways	382	2,294
Evergreen Townhouse Community Housing Corp.	6,500	5,649
Families First in Essex County	3,000	9,415
Family Champions of the North Country	6,000	2,824
Girl Scouts of Northeastern New York	5,866	6,486
Homeward Bound Adirondacks	10,500	9,415
Hospice of the North Country	32,247	35,309
JCEO	20,000	18,830
Literacy Volunteers-Clinton County	9,000	8,474
Literacy Volunteers-Essex and Franklin Counties	8,500	8,944
Mental Health Association in Essex County, Inc.	12,000	11,298
Mountain Lake Services	11,000	11,298
NAMI	15,000	20,654
North Country Association for Visually Impaired	9,940	9,355
North Country Center for Independence	433	790
North Country Life Flight	15,000	16,006
North Country TBI Center	1,995	2,152
Northern NY Foster Grandparent Program	4,000	-
Plattsburgh/ Malone YMCA, Inc.	14,894	16,947
Pride of Ticonderoga - Back Pack Program	8,000	5,649
R.S.V.P.-Clinton County	5,604	5,649
R.S.V.P.-Essex County	5,650	5,178
R.S.V.P.-Franklin County	2,000	-
Saranac Youth Center	2,824	2,824
Senior Citizens Council	9,396	8,474
Substance Abuse Prevention Team	4,000	3,766
Ted K. Community Center	10,000	10,357
The Strand for Arts - DY	3,002	4,707
Third Age Adult Center	6,955	8,245
Thomas Shipman Youth Center	4,800	4,707
United Way of the Adirondack Region, Inc.	129,621	130,210
Total	<u>498,729</u>	<u>505,169</u>
Less positive designations paid	<u>(186,301)</u>	<u>(202,847)</u>
Allocations	<u>\$ 312,428</u>	<u>\$ 302,322</u>

**UNITED WAY OF THE ADIRONDACK REGION, INC.
STATE EMPLOYEES FEDERATION APPEAL
SCHEDULES OF ALLOCATIONS TO MEMBER AGENCIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Adirondack Habitat for Humanity	\$ 693	\$ 651
Adirondack Health Foundation	171	-
Adirondack Mountain Club	220	340
Aids Council of NENY	88	134
AIDS Research	122	119
American Cancer Society	726	714
American Heart Association	313	384
America's Charities	5,098	8,334
Animals Charities of America	1,033	955
Autism Alliance of NENY	1,095	-
A Rottweiler Empire Rescue	-	24
Bangor Fire Rescue	9	-
Best Friends of Animal Society	-	229
Children Charities of America	444	655
Community Health Charities	8,101	11,012
Community Works of New York State	-	242
David Elkszta	-	9
Destroyer Escort Historical Museum	-	119
Earth Share of NY	4,431	3,843
Elmore SPCA	7,726	7,244
Etling Memorial Library	-	72
Food for the Poor, Inc.	122	119
Global Impact	1,616	3,168
Health & Medical Research Charities	777	565
Human & Civil Rights Organization of America	117	-
Independent Charities of America	11,635	5,739
Make-A-Wish Foundation of NENY	1,069	595
Masonic Medical Research Laboratory	-	119
Memorial Sloan-Kettering Cancer Center	-	138
Neighbor to Nation	1,163	1,689
Next Step, Inc.	73	-
North Country SPCA	4,104	3,432
NYS Troopers PBS Signal 30 Fund, Inc.	964	663
Out of the Pits, Inc.	38	-
Planned Parenthood of the North Country	2,519	1,922
Regional Food Bank of NENY	3,411	3,177
RMHCH of Western New York, Inc.	-	72
Salvation Army	459	-
Salvation Army of Plattsburgh	24	-
Saranac Lake Adult Center	-	24
Scleroderma Foundation / Tri-State Chapter	122	119
Scleroderma Research Foundation	-	24
Special Olympics of New York State	24	33
SUNY Plattsburgh Child Care Center	4,204	4,204

**UNITED WAY OF THE ADIRONDACK REGION, INC.
STATE EMPLOYEES FEDERATION APPEAL
SCHEDULES OF ALLOCATIONS TO MEMBER AGENCIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Tender Care Tot Center	\$ 313	\$ 60
Tri-Lake Humane Society	2,340	2,026
Tug Hill Tomorrow Land Trust	49	-
UNCF	-	48
United University Professions College School	-	880
United Way Greater Capital Region	1,142	1,435
United Way of Broome County	-	155
United Way of Buffalo and Erie	73	85
United Way of Central New York	47	120
United Way of Dutchess	-	72
United Way of Greater Rochester	118	500
United Way of Long Island	226	96
United Way of NNY	2,134	2,474
United Way of Tompkins/ Schuyler	-	120
United Way of Westchester / Putnum	-	24
United Way of the Adirondack Region, Inc.	33,816	37,041
US Committee for Refugees and Immigrants	-	120
USO of Fort Drum	-	24
USO Metropolitan NY	353	238
Total	<u>103,322</u>	<u>106,400</u>
Less positive designations	<u>(107,237)</u>	<u>(118,792)</u>
Allocations	<u>\$ (3,915)</u>	<u>\$ (12,392)</u>