

*Financial Statements*

**UNITED WAY OF ULSTER COUNTY, INC.**

*Years Ended June 30, 2017 and 2016*

## **UNITED WAY OF ULSTER COUNTY, INC.**

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## MEMBERS:

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Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of United Way of Ulster County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statement of activities and cash flows for the year then ended, and the notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Ulster County, Inc. as of June 30, 2017, and changes in net assets, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Prior Period Financial Statements**

The financial statements of United Way of Ulster County, Inc. as of June 30, 2016, were audited by other auditors whose report was dated October 27, 2016, expressed an unmodified opinion on those statements.

*Alexander W. Guden & Co.*

October 31, 2017

**UNITED WAY OF ULSTER COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30,**

	2017	(As Restated) 2016
	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 242,203	\$ 249,935
Pledges Receivables (Net of Allowance for Uncollectable Pledges of \$28,433 and \$-0- at June 30, 2017 and 2016, respectively.)	172,942	232,676
Grants and Contracts Receivables	14,467	10,803
Investments, At Market	-	1,214
Prepaid Expenses	1,984	-
Total Current Assets	<u>431,596</u>	<u>494,628</u>
Property and Equipment		
Land	25,000	25,000
Building and Leasehold Improvements	130,515	130,515
Furniture and Equipment	100,580	100,580
Total	<u>256,095</u>	<u>256,095</u>
Less: Accumulated Depreciation	<u>(226,399)</u>	<u>(226,033)</u>
Net Property and Equipment	<u>29,696</u>	<u>30,062</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>461,292</u></b>	<b>\$ <u>524,690</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts Payable	\$ 2,779	\$ 7,359
SEFA/CFC Payable	5,510	4,964
Donor Designations Payable	26,406	32,676
Accrued Salaries and Wages	19,807	16,175
Accrued Expenses	11,969	2,733
Total Current Liabilities	<u>66,471</u>	<u>63,907</u>
Total Liabilities	<u>66,471</u>	<u>63,907</u>
Net Assets		
Temporarily Restricted	62,115	39,709
Unrestricted	332,706	421,074
Total Net Assets	<u>394,821</u>	<u>460,783</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>461,292</u></b>	<b>\$ <u>524,690</u></b>

See Independent Auditor's Report and Notes to Financial Statements.

**UNITED WAY OF ULSTER COUNTY, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30,**

	2017	(As Restated) 2016
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>		
Contributions		
Campaign	\$ 567,796	\$ 646,936
Raising Hope Fund Income	41,828	39,809
SEFA	4,362	8,018
Future of Saugerties	117,250	109,175
Grant Income	54,350	100,000
Miscellaneous Contributions	25,625	34,186
Total Contributions	<u>811,211</u>	<u>938,124</u>
Revenue		
Special Events Income	49,292	54,105
211 Database Mgr Income	30,000	22,500
Administrative Income	14,913	19,570
OET Income, Net	20,882	(5,398)
Interest Income	5	42
Total Revenue	<u>115,092</u>	<u>90,819</u>
Total Contributions and Revenue	<u>926,303</u>	<u>1,028,943</u>
Expenses		
Allocations to Member Agencies	377,684	390,482
Grant Expenditures	207,583	166,679
Salaries	189,873	192,529
Uncollectable Pledges	64,088	33,142
Employee Benefits	34,156	31,992
211 Database Mgr Expense	26,640	21,480
Payroll Taxes	14,674	15,780
Professional Fees	11,475	8,624
Rental and Maintenance of Equipment	10,947	10,841
Membership Dues	9,965	9,340
Event Expenses	9,107	18,134
Insurance	5,841	5,745
Miscellaneous	5,609	1,682
Printing and Publications	5,252	3,474
Advertising	4,331	4,735
Utilities	3,933	3,745
Supplies	3,086	2,633
Cash Coalition Expense	1,919	1,990
Meetings and Conferences	1,776	1,882
Telephone	1,724	1,985
Travel	1,204	948
Postage and Shipping	698	1,181
Depreciation	366	366
Service Charges	334	505
Total Expenses	<u>992,265</u>	<u>929,894</u>
<b>CHANGE IN NET ASSETS</b>	<u>(65,962)</u>	<u>99,049</u>
Beginning of Year - As Previously Reported	460,783	223,584
Prior Period Adjustment	-	138,150
Net Assets, Beginning of Year, as Restated	<u>460,783</u>	<u>361,734</u>
Net Assets, End of the Year	<u>\$ 394,821</u>	<u>\$ 460,783</u>

See Independent Auditor's Report and Notes to Financial Statements.

**UNITED WAY OF ULSTER COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30,**

	<u>2017</u>	<u>(As Restated)</u> <u>2016</u>
<b>OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ (65,962)	\$ 99,049
Adjustments to Reconcile Change in Net Assets to Net Cash and Cash Equivalents Provided By Operating Activities:		
Depreciation	366	366
Uncollectable Pledges	64,088	33,142
Change in Operating Activities		
Receivables	(8,017)	(22,994)
Investments	1,214	(1,214)
Prepaid Expenses	(1,984)	-
Accounts Payable	(4,580)	432
Accrued Expenses	9,235	664
SEFA/CFC Payable	546	(376)
Donor Designations Payable	(6,270)	(2,625)
Accrued Salaries and Wages	<u>3,632</u>	<u>7,206</u>
<b>Change in Operating Activities</b>	<u>(7,732)</u>	<u>113,650</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(7,732)	113,650
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>249,935</u>	<u>136,285</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 242,203</u>	<u>\$ 249,935</u>

See Independent Auditor's Report and Notes to Financial Statements.

**UNITED WAY OF ULSTER COUNTY, INC.  
(SEE INDEPENDENT AUDITOR'S REPORT)  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017 and 2016**

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*United Way of Ulster County, 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 Way Worldwide. The Organization conducts activities in Ulster County of New York State.*

*The purposes for which this organization is formed are to seek solutions to community problems by performing regular community assessments to determine needs and/or gaps in services; developing new and/or expanding or modifying existing human service programs in order to more effectively address the identified needs or gaps; facilitating collaborative community partnerships that address the specific needs and/or gaps in services; evaluating programs to assure positive outcomes in the target areas; and developing the financial resources, both public and private, needed to meet the human service needs of the community.*

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of United Way of Ulster County, Inc. (The Organization) is presented to assist in the understanding of the financial statements. The financial statements and notes are representations of the management who are 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.

**Basis of Accounting**

The Organization's financial statements are prepared using the accrual basis of accounting. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

**Basis of Presentation**

Net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.

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 Organization to use all or part of the income earned on related investments for general or specific purposes.

**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.



**UNITED WAY OF ULSTER COUNTY, INC.  
(SEE INDEPENDENT AUDITOR'S REPORT)  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017 and 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

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 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, then 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.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Donor imposed restrictions that are satisfied within the same operating cycle are recorded as unrestricted.

**Property and Equipment**

Land, building, furniture, and equipment additions are stated at cost when purchased and fair market value when donated. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expenses as incurred. The Organization capitalizes furniture and equipment with a minimum cost of \$1,000 and a useful life of more than one year. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in income. Depreciation is computed using both straight-line and accelerated methods for financial reporting purposes over estimated useful lives of five to forty years.

The Organization assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable. This is accomplished by comparing the expected undiscounted future cash flows of the long-lived assets with the respective carrying amount as of the date of assessment. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, the long-lived assets are considered not to be impaired. If the expected undiscounted future cash flows are less than the carrying value, an impairment loss is recognized and measured as the difference between the carrying value and the fair value of the long-lived assets. No impairment of long-lived assets was recognized in 2017.

**Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**UNITED WAY OF ULSTER COUNTY, INC.  
(SEE INDEPENDENT AUDITOR'S REPORT)  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017 and 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Allocation to Member Agencies**

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

**Advertising Expenses**

The Organization expenses advertising costs as they are incurred. Advertising expense for the years ended June 30, 2017 and 2016 was \$4,331 and \$4,735, respectively.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Income Taxes**

The Organization is exempt from federal and New York State income taxes under Section 501(c) (3) of the Internal Revenue Code and comparable New York State law. Contributions to the Organization are tax deductible within the limitations prescribed by the Code. United Way of Ulster County, Inc. has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Organization's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they are filed.

The Organization follows the *Accounting for Uncertainty in Income Taxes, Topic, FASB, ASC. Accounting for Uncertainty in Income Taxes, Topic, FASB, ASC*, prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. The Organization believes that they have appropriate support for the income tax positions taken and to be taken on returns based on an assessment of many factors including experience and interpretations of tax laws applied to the fact of each matter. The Organization has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits.

**2. PROPERTY AND EQUIPMENT**

A summary of the Organization's Property and Equipment at June 30, 2017 and 2016, is as follows:

	2017	2016
Land	\$ 25,000	\$ 25,000
Buildings and Leasehold Improvements	130,515	130,515
Furniture and Equipment	100,580	100,580
Total	<u>256,095</u>	<u>256,095</u>
Less: Accumulated Depreciation	(226,399)	(226,033)
Property and Equipment, Net	<u>\$ 29,696</u>	<u>\$ 30,062</u>

Depreciation expense for the year ended June 30, 2017 and 2016 was \$366 and \$366, respectively.

**UNITED WAY OF ULSTER COUNTY, INC.  
(SEE INDEPENDENT AUDITOR'S REPORT)  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017 and 2016**

**3. 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 June 30, 2017 and 2016 are as follows:

	2017	2016
Local Campaign	\$ 201,385	\$ 232,676
Allowance for Doubtful Pledges	(28,443)	-
Net Pledges Receivable	<u>\$ 172,942</u>	<u>\$ 232,676</u>

The Organization provides an allowance for uncollectable pledges based upon collection history and a review of open accounts by management. Open accounts are written off after all collection efforts have been exhausted and the pledge is determined to be uncollectable. Although management has reviewed the collection history while projecting the allowance, it is reasonably possible that actual uncollectable pledges may differ from the estimated allowance.

**4. CONTRACTS RECEIVABLE**

Contracts receivable consists of the portions of the Ulster County Office of Employment and Training contract that is due to the Organization. The amounts of the contracts receivable at June 30, 2017 and 2016 were \$14,467 and \$10,803 respectively.

**5. 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.

**6. DEFINED CONTRIBUTION PLAN**

The Organization adopted a defined contribution 403(b) plan. All regular active employees participate in this non-contributory retirement program when they reach the age of twenty-one and have completed one year of full service. Employees are 100% vested from the first day of participation in the plan. The contributions recognized for the retirement plan for the years ended June 30, 2017 and 2016 was \$11,295 and \$9,626 respectively.

**7. RECLASSIFICATION OF AMOUNTS**

Some accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

**8. CONCENTRATIONS OF CREDIT RISK**

The Organization maintains its cash balances in several financial institutions. The accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2017 and 2016 the Organization had no uninsured cash balances, respectively.

**UNITED WAY OF ULSTER COUNTY, INC.  
(SEE INDEPENDENT AUDITOR'S REPORT)  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017 and 2016**

**9. SUMMARY OF ALLOCATIONS TO MEMBER AGENCIES**

The following indicates the amounts distributed to participating agencies for the years ended June 30,:

	2017	2016
Always There	\$ 19,086	\$ 19,086
Boy's and Girl's Club	41,133	41,133
CASA	5,000	5,000
Center for Creative Education	7,572	7,572
Children's Home of Kingston	9,175	9,175
Cornell Cooperative Extension of Ulster	5,000	5,000
Family of Woodstock	106,231	106,231
Family Services	8,800	8,800
Gateway Industries	27,306	27,306
Jewish Family Services	7,069	7,069
Mental Health Association	19,773	19,773
RCAL	-	12,798
RUPCO	8,976	8,976
Ulster County Community Action	5,200	5,200
Ulster Greene ARC	25,256	25,256
Ulster Literacy Association	18,764	18,764
Worker Justice Center of NY	5,000	5,000
YMCA	23,689	23,689
YWCA	34,654	34,654
Total	\$ <u>377,684</u>	\$ <u>390,482</u>

**10. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Organization's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and pledges receivable. The Organization estimates that the fair value of all financial instruments at June 30, 2017 do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies. The carrying amounts of cash and cash equivalents and pledges receivable reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

**11. OPERATING LEASES**

During 2016, the Organization entered into a non-cancellable operating lease for equipment expiring in January 2022. Total rent expense for this lease for the year ended June 30, 2017 was \$1,724. The following is a schedule of future minimum rental payments under the lease for the year ending June 30,:

2018	\$2,586
2019	2,586
2020	2,586
2021	2,586
2022	1,508

**UNITED WAY OF ULSTER COUNTY, INC.  
(SEE INDEPENDENT AUDITOR'S REPORT)  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017 and 2016**

**12. PRIOR PERIOD ADJUSTMENT**

The prior financial statements reflected a liability for an estimated amount of budgeted operating expense for the next fiscal period. The restated financial statements reflect the estimated liability being reversed. Net Assets have been restated to include this estimated amount. This restatement is reported on page 4, Statement of Activities.

**13. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following at June 30,:

	<u>2017</u>		<u>2016</u>
Raising HOPE	\$ 39,502	\$	39,709
Future of Saugerties	22,613		-
Total Temporarily Restricted Net Assets	<u>\$ 62,115</u>	<u>\$</u>	<u>39,709</u>

**14. FUNCTIONAL EXPENSES**

The Organization has functional expenses as follows for the years ending June 30,:

	<u>2017</u>		<u>2016</u>
Program Services	\$ 761,306	\$	685,776
Administrative	55,596		65,520
Fundraising	175,363		178,598
Total	<u>\$ 992,265</u>	<u>\$</u>	<u>929,894</u>

**15. SUBSEQUENT EVENTS**

Management has evaluated subsequent events or transactions as to potential material impact on operations or financial position occurring through October 31, 2017, the date the financial statements were available to be issued. No such events or transactions were identified.