

**United Way of Westchester  
and Putnam, Inc.**

Financial Statements

June 30, 2015 and 2014

## Independent Auditors' Report

**To the Board of Directors  
United Way of Westchester and Putnam, Inc.**

We have audited the accompanying financial statements of United Way of Westchester and Putnam, Inc. ("United Way") which comprise the statements of financial position as of June 30, 2015 and 2014 and the related statements of activities, functional expenses and cash flows for the years 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of 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 auditors' 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 Westchester and Putnam, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented on pages 22 through 26 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*O'Connor Davies, LLP*

Stamford, Connecticut  
November 10, 2015

**United Way of Westchester & Putnam, Inc.**

Statements of Financial Position

	June 30,	
	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 606,396	\$ 1,008,166
Pledges receivable, net	1,027,990	917,324
Other assets	483,928	491,416
Investments	2,711,980	2,569,858
Land, building and equipment, net	<u>520,644</u>	<u>634,012</u>
	<u>\$ 5,350,938</u>	<u>\$ 5,620,776</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 299,374	\$ 290,406
Due to agencies	843,049	824,732
Loans payable to bank	567,430	490,507
Pension liability cost	465,339	318,701
Other liabilities	<u>132,656</u>	<u>159,089</u>
Total Liabilities	<u>2,307,848</u>	<u>2,083,435</u>
Net Assets		
Unrestricted	611,121	872,998
Temporarily restricted	858,475	1,069,010
Permanently restricted	<u>1,573,494</u>	<u>1,595,333</u>
Total Net Assets	<u>3,043,090</u>	<u>3,537,341</u>
	<u>\$ 5,350,938</u>	<u>\$ 5,620,776</u>

See notes to financial statements

**United Way of Westchester and Putnam, Inc.**

Statements of Activities

	Year Ended June 30, 2015				Year Ended June 30, 2014			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>								
Public Support								
Campaign results	\$ 8,947,297	\$ 182,295	\$ -	\$ 9,129,592	\$ 9,345,623	\$ 241,036	\$ -	\$ 9,586,659
Less donor designated funds raised on behalf of others	(5,051,392)	-	-	(5,051,392)	(4,999,569)	-	-	(4,999,569)
Less estimated uncollectible receivables	(200,843)	-	-	(200,843)	(117,831)	-	-	(117,831)
Net Campaign Results	3,695,062	182,295	-	3,877,357	4,228,223	241,036	-	4,469,259
Gifts in kind	1,920,867	-	-	1,920,867	1,714,689	-	-	1,714,689
Bequests and other public support	225,278	18,325	-	243,603	17,848	5,002	-	22,850
Total Public Support	5,841,207	200,620	-	6,041,827	5,960,760	246,038	-	6,206,798
Revenue								
Investment return	66,917	78,514	-	145,431	164,272	208,530	-	372,802
Other income (loss)	97,547	-	(21,839)	75,708	92,559	-	31,990	124,549
Donor designated funds raised on behalf of others fees	9,241	-	-	9,241	11,184	-	-	11,184
Total Revenue	173,705	78,514	(21,839)	230,380	268,015	208,530	31,990	508,535
Net Assets Released from Restrictions	489,669	(489,669)	-	-	556,622	(556,622)	-	-
Total Public Support and Revenue	6,504,581	(210,535)	(21,839)	6,272,207	6,785,397	(102,054)	31,990	6,715,333
<b>EXPENSES</b>								
Program Services								
Community impact	1,751,147	-	-	1,751,147	1,717,886	-	-	1,717,886
Special initiatives	62,274	-	-	62,274	33,351	-	-	33,351
Constituency services	1,964,403	-	-	1,964,403	1,890,733	-	-	1,890,733
2-1-1 Hudson Valley Region	1,585,579	-	-	1,585,579	1,595,236	-	-	1,595,236
Total Program Services	5,363,403	-	-	5,363,403	5,237,206	-	-	5,237,206
Supporting Services								
Management and general	782,302	-	-	782,302	973,866	-	-	973,866
Fundraising	469,787	-	-	469,787	622,811	-	-	622,811
Total Supporting Services	1,252,089	-	-	1,252,089	1,596,677	-	-	1,596,677
Total Expenses	6,615,492	-	-	6,615,492	6,833,883	-	-	6,833,883
Excess (Deficit) of Public Support and Revenue over Expenses	(110,911)	(210,535)	(21,839)	(343,285)	(48,486)	(102,054)	31,990	(118,550)
<b>OTHER CHANGES IN NET ASSETS</b>								
Pension liability adjustment	(150,966)	-	-	(150,966)	163,477	-	-	163,477
Change in Net Assets	(261,877)	(210,535)	(21,839)	(494,251)	114,991	(102,054)	31,990	44,927
<b>NET ASSETS</b>								
Beginning of year	872,998	1,069,010	1,595,333	3,537,341	758,007	1,171,064	1,563,343	3,492,414
End of year	\$ 611,121	\$ 858,475	\$ 1,573,494	\$ 3,043,090	\$ 872,998	\$ 1,069,010	\$ 1,595,333	\$ 3,537,341

See notes to financial statements

**United Way of Westchester and Putnam, Inc.**

Statement of Functional Expenses

Year Ended June 30, 2015

	Program Services				Support Services		Total
	Community Impact	Special Initiatives	Constituency Services	2-1-1 Hudson Valley Region	Management and General	Fund Raising	
<b>ALLOCATIONS AND GRANTS</b>							
Allocations to agencies	\$ 506,058	\$ 14,000	\$ 1,841,209	\$ -	\$ -	\$ -	\$ 2,361,267
Contract programs	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Total Allocations and Grants	<u>656,058</u>	<u>14,000</u>	<u>1,841,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,511,267</u>
<b>PERSONNEL</b>							
Salaries	556,188	20,600	20,600	844,581	391,391	226,595	2,059,955
Employee benefits	155,807	5,770	5,771	236,596	109,642	63,477	577,063
Payroll taxes	<u>59,893</u>	<u>2,218</u>	<u>2,218</u>	<u>90,949</u>	<u>42,149</u>	<u>24,401</u>	<u>221,828</u>
Total Personnel Costs	<u>771,888</u>	<u>28,588</u>	<u>28,589</u>	<u>1,172,126</u>	<u>543,182</u>	<u>314,473</u>	<u>2,858,846</u>
<b>OTHER EXPENSES</b>							
Professional fees and contract services	6,789	61	61	49,774	4,967	1,246	62,898
Accounting fees	-	-	-	-	38,250	-	38,250
Office/computer supplies	39,263	1,454	1,454	59,622	27,631	15,996	145,420
Telephone	39,228	1,453	1,453	59,568	27,604	15,982	145,288
Postage	5,186	192	192	7,875	3,650	2,113	19,208
Occupancy costs	34,870	1,291	1,291	52,951	24,540	14,206	129,149
Promotional and marketing	85,535	-	23,095	59,959	11,436	67,747	247,772
Local transportation	5,243	194	194	7,962	3,691	2,136	19,420
Conferences, conventions and meetings	7,724	286	286	11,730	5,436	3,147	28,609
Equipment rentals	8,736	324	25,924	13,266	6,146	3,559	57,955
Bonding and officers' insurance	-	-	-	-	16,088	-	16,088
Miscellaneous	10,515	389	389	15,967	7,399	4,284	38,943
Interest expense	-	-	-	-	34,933	-	34,933
National and State United Way dues	<u>41,248</u>	<u>12,603</u>	<u>38,827</u>	<u>15,764</u>	<u>-</u>	<u>9,065</u>	<u>117,507</u>
Total Other Expenses	<u>284,337</u>	<u>18,247</u>	<u>93,166</u>	<u>354,438</u>	<u>211,771</u>	<u>139,481</u>	<u>1,101,440</u>
Depreciation	<u>38,864</u>	<u>1,439</u>	<u>1,439</u>	<u>59,015</u>	<u>27,349</u>	<u>15,833</u>	<u>143,939</u>
Total Expenses	<u>\$ 1,751,147</u>	<u>\$ 62,274</u>	<u>\$ 1,964,403</u>	<u>\$ 1,585,579</u>	<u>\$ 782,302</u>	<u>\$ 469,787</u>	<u>\$ 6,615,492</u>

See notes to financial statements

**United Way of Westchester and Putnam, Inc.**

Statement of Functional Expenses

Year Ended June 30, 2014

	Program Services				Support Services		Total
	Community Impact	Special Initiatives	Constituency Services	2-1-1 Hudson Valley Region	Management and General	Fund Raising	
<b>ALLOCATIONS AND GRANTS</b>							
Allocations to agencies	\$ 704,861	\$ 20,000	\$ 1,665,502	\$ -	\$ -	\$ -	\$ 2,390,363
Contract programs	<u>182,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,100</u>
Total Allocations and Grants	<u>886,961</u>	<u>20,000</u>	<u>1,665,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,572,463</u>
<b>PERSONNEL</b>							
Salaries	403,988	-	74,419	839,870	499,668	308,307	2,126,252
Employee benefits	125,961	-	23,204	261,867	155,794	96,128	662,954
Payroll taxes	<u>43,266</u>	<u>-</u>	<u>7,969</u>	<u>89,947</u>	<u>53,513</u>	<u>33,019</u>	<u>227,714</u>
Total Personnel Costs	<u>573,215</u>	<u>-</u>	<u>105,592</u>	<u>1,191,684</u>	<u>708,975</u>	<u>437,454</u>	<u>3,016,920</u>
<b>OTHER EXPENSES</b>							
Professional fees and contract services	2,259	-	416	54,907	2,794	1,724	62,100
Accounting fees	-	-	-	-	36,275	-	36,275
Office/computer supplies	31,311	-	5,768	65,095	38,727	23,896	164,797
Telephone	24,942	-	4,595	51,853	30,849	19,035	131,274
Postage	2,589	-	477	5,382	3,201	1,976	13,625
Occupancy costs	25,287	-	4,658	52,570	31,275	19,298	133,088
Promotional and marketing	76,566	-	23,404	50,942	13,518	70,628	235,058
Local transportation	4,398	-	810	9,144	5,440	3,357	23,149
Conferences, conventions and meetings	3,732	-	688	7,759	4,616	2,848	19,643
Equipment rentals	7,083	-	23,806	14,725	8,762	5,404	59,780
Bonding and officers' insurance	-	-	-	-	14,975	-	14,975
Miscellaneous	9,249	-	1,704	19,229	11,443	7,059	48,684
Interest expense	-	-	-	-	29,681	-	29,681
National and State United Way dues	<u>43,342</u>	<u>13,351</u>	<u>48,348</u>	<u>15,914</u>	<u>-</u>	<u>9,563</u>	<u>130,518</u>
Total Other Expenses	<u>230,758</u>	<u>13,351</u>	<u>114,674</u>	<u>347,520</u>	<u>231,556</u>	<u>164,788</u>	<u>1,102,647</u>
Depreciation	<u>26,952</u>	<u>-</u>	<u>4,965</u>	<u>56,032</u>	<u>33,335</u>	<u>20,569</u>	<u>141,853</u>
Total Expenses	<u>\$ 1,717,886</u>	<u>\$ 33,351</u>	<u>\$ 1,890,733</u>	<u>\$ 1,595,236</u>	<u>\$ 973,866</u>	<u>\$ 622,811</u>	<u>\$ 6,833,883</u>

See notes to financial statements

**United Way of Westchester & Putnam, Inc.**

Statements of Cash Flows

	Years Ended June 30,	
	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (494,251)	\$ 44,927
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	143,939	141,853
Gain on disposal of equipment	128	6,426
Provision for uncollectible receivables	(13,500)	(76,789)
Net gain on investments	(79,007)	(308,305)
Pension liability adjustment	150,966	(163,477)
Change in operating assets and liabilities		
Pledges receivable	(97,166)	497,850
Other assets	7,488	34,821
Accounts payable and accrued expenses	8,968	(9,004)
Due to agencies	18,317	(61,759)
Accrued pension cost	(4,328)	54,104
Other liabilities	2,669	1,617
Net Cash from Operating Activities	(355,777)	162,264
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of building improvements and equipment	(30,699)	(41,959)
Purchases of investments	(318,635)	(126,142)
Proceeds from sale of investments	255,520	133,138
Net Cash from Investing Activities	(93,814)	(34,963)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of bank loans	(23,077)	(709,493)
Payments on capital lease obligations	(29,102)	(37,952)
Proceeds from bank loans	100,000	500,000
Net Cash from Financing Activities	47,821	(247,445)
Net Change in Cash and Cash Equivalents	(401,770)	(120,144)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	1,008,166	1,128,310
End of year	\$ 606,396	\$ 1,008,166
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 34,933	\$ 29,681
Disposal of fully depreciated equipment and furniture	28,929	107,892
See notes to financial statements		

# **United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2015 and 2014

## **1. The Organization**

United Way of Westchester and Putnam, Inc. (“United Way”) is a local, independent not-for-profit health and human services agency exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. United Way’s mission is to advance the common good by creating opportunities for every person within our community to have a better life.

Volunteers and staff work together to manage the United Way. This work includes assessing the needs of the community, developing strategies to meet the most critical needs, raising resources and funding initiatives to implement these strategies and communicating the results back to the community.

Some of the communities within this United Way conduct fund-raising, communication and volunteer recruitment activities in the name of geographically smaller areas that are within Westchester County. These “local community United Ways” function as local affiliates of United Way of Westchester and Putnam. One of these local affiliated United Ways continues to maintain separate status and retain non-campaign receipts and title to reserve funds which are not included in these financial statements.

United Way has responsibility for soliciting, billing, and collecting all local donors’ accounts. Amounts collected on behalf of other not-for-profit agencies that have been designated by the Internal Revenue Service as exempt under Section 501(c)(3) are distributed as prescribed by the donor.

## **2. Significant Accounting Policies**

### ***Basis of Presentation***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein, are classified and reported as unrestricted net assets, temporarily-restricted net assets and permanently-restricted net assets, as applicable.

### ***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. The most significant estimates and assumptions relate to the determination of the allowance for uncollectible pledges, accrued pension cost and the functional allocation of expenses. Actual results could differ from those estimates.

## United Way of Westchester and Putnam, Inc.

Notes to Financial Statements  
June 30, 2015 and 2014

### 2. Significant Accounting Policies (*continued*)

#### ***Cash and Cash Equivalents***

Cash includes currency on hand, demand deposits with financial institutions, and other amounts that have the general characteristics of demand deposits. Cash equivalents include short-term investments with maturities of three months or less at the time of purchase.

#### ***Fair Value of Financial Instruments***

United Way follows U.S. GAAP on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

#### ***Investments and Investment Income***

Investments consisting of marketable securities are reported at fair value based on quoted market prices. Money market funds and other highly liquid investments with maturities of 90 days or less are reported at cost, which approximates fair value. Securities are reported on a trade date basis. Realized and unrealized gains and losses are included in investment return in the statements of activities.

#### ***Land, Building and Equipment***

Land, building and equipment is stated at cost at the date of acquisition or at estimated fair market value at the date of donation, less accumulated depreciation. Expenditures for land, buildings and equipment in excess of \$2,500 are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows: buildings (25 years); capital improvements (5 to 10 years); and furniture, fixtures and equipment (3 to 10 years).

#### ***Public Support***

Public support represents contributions and is recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions received are recorded as unrestricted and temporarily-restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. United Way uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior year's experience and management's analysis of specific promises made.

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2015 and 2014

**2. Significant Accounting Policies (continued)**

**Public Support (continued)**

Campaign results include:

- Unrestricted local campaign pledges and donations.
- Local campaign pledges restricted by donors to another not for profit agency or other local United Way (referred to as donor choice).
- Campaign pledges from other United Ways designated to United Way of Westchester and Putnam, Inc.).

Donor designated amounts raised on behalf of others includes local campaign restricted pledges for agencies not supported by United Way (referred to as donor choice).

**Gifts in Kind**

Gifts in kind represent contributed materials and services and are reported at estimated fair value on the date of donation. Contributed materials are received from local vendors and distributed to local agencies. Contributed services provide assistance to the United Way.

A substantial number of volunteers have donated considerable amounts of their time to the United Way's program and supporting services; however, none of these contributed services met the requirements for recognition in the financial statements under U.S. GAAP. It is United Way Worldwide's policy to recognize the value of volunteer services by using the value established by the Independent Sector at \$22.55 per hour. Utilizing this calculation for the year ended June 30, 2015, United Way of Westchester and Putnam has determined that \$128,374 was contributed in service time to the United Way, none of which is reflected in the accompanying financial statements.

**Allocations and Grants**

Amounts which have been allocated to specific agencies in the current fiscal year but have not been disbursed as of June 30 are accrued and reflected in the accompanying statements of financial position as "Due to Agencies". Amounts committed for periods after year end are subject to further review and approval by the United Way Board and the availability of funding. Accordingly, such amounts are not reflected as a liability as of year end. Donor choice funds are paid separately, generally on a quarterly basis, and have also been reflected within "Due to Agencies".

## **United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2015 and 2014

### **2. Significant Accounting Policies (continued)**

#### ***Impairment or Disposal of Long-lived Assets***

U.S. GAAP guidance requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. No impairment losses have been recorded to date.

#### ***Asset Retirement Obligations***

U.S. GAAP guidance defines an asset retirement obligation as a legal obligation associated with the retirement of tangible long-lived asset and requires recognition of the asset retirement obligation in the period in which incurred, if applicable and if an estimate can be made. United Way evaluated its owned properties for potential asset retirement obligations. Based on this review, United Way has not currently identified any environmental remediation or other such obligations.

#### ***Accounting for Uncertainty in Income Taxes***

United Way recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that United Way had no uncertain tax positions that would require financial statement recognition. United Way is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to July 1, 2011.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 10, 2015.

### **3. Concentrations of Credit Risk**

Financial instruments which potentially subject United Way to concentrations of credit risk include bank deposits in excess of the Federal Deposit Insurance Corporation ("FDIC") limits. United Way management believes it mitigates its risk by investing with reputable commercial institutions with satisfactory credit ratings. United Way has not experienced any losses on these financial instruments.

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2015 and 2014

**4. Pledges Receivable**

Pledges receivable, which are expected to be collected within one year, consisted of the following at June 30:

	<u>2015</u>	<u>2014</u>
Total pledges receivable	\$ 1,188,490	\$ 1,091,324
Less allowance for uncollectible pledges	<u>(160,500)</u>	<u>(174,000)</u>
	<u>\$ 1,027,990</u>	<u>\$ 917,324</u>

**5. Investments and Investment Return**

Investments categorized according to the fair value hierarchy consisted of the following at June 30:

	<u>2015</u>	<u>2014</u>
Level 1 Inputs		
Large blend equity mutual fund	\$ 1,737,774	\$ 1,618,277
Intermediate bond index mutual fund	<u>974,206</u>	<u>951,581</u>
Total Investments	<u>\$ 2,711,980</u>	<u>\$ 2,569,858</u>

Investment returns for the years ended June 30 consist of the following:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 66,424	\$ 64,497
Realized gain on investments	81,107	51,758
Unrealized (depreciation) appreciation on investments	<u>(2,100)</u>	<u>256,547</u>
	<u>\$ 145,431</u>	<u>\$ 372,802</u>

## United Way of Westchester and Putnam, Inc.

### Notes to Financial Statements June 30, 2015 and 2014

#### 6. Land, Building and Equipment

Land, building and equipment consisted of the following at June 30:

	<u>2015</u>	<u>2014</u>
Land	\$ 100,000	\$ 100,000
Building	306,128	306,128
Building improvements	813,908	802,405
Furniture, fixtures, and equipment	<u>747,861</u>	<u>757,722</u>
	1,967,897	1,966,255
Less accumulated depreciation	<u>(1,447,253)</u>	<u>(1,332,243)</u>
	<u>\$ 520,644</u>	<u>\$ 634,012</u>

Assets under capital lease as of June 30, 2015 and 2014 had a cost of \$158,004 with accumulated amortization of \$44,140 and \$11,852 for fiscal 2015 and 2014.

#### 7. Other Assets

Other assets consisted of the following as of June 30:

	<u>2015</u>	<u>2014</u>
Beneficial interest in trust	\$ 287,422	\$ 309,261
Cash surrender value of life insurance policy	30,427	22,208
Other receivables	54,267	44,455
Prepaid expenses	<u>111,812</u>	<u>115,492</u>
	<u>\$ 483,928</u>	<u>\$ 491,416</u>

United Way has a beneficial interest in the Ruth Taylor Award Fund (the "Trust"), a charitable trust which is valued using Level 3 inputs, and is not in the United Way's possession or under its control. Generally accepted accounting principles require the recognition of the fair value of the future income stream from the Trust. The fair value of the underlying assets of the fund was used to determine the future income stream. The assets of the Trust are classified as temporarily and permanently restricted. Distributions from the Trust are recorded as temporarily restricted contributions in the statement of activities. Changes in the value of the beneficial interest in the trust is recorded as permanently restricted other income in the statement of activities.

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2015 and 2014

**8. Loans Payable to Bank**

On December 30, 2013, United Way entered into a mortgage with a financial institution to convert \$500,000 of a \$1,000,000 open ended line of credit to a 15 year fully amortizing mortgage bearing a fixed interest rate of 5.15%. The proceeds were used to refinance an existing line of credit and provide an open ended line of credit in the amount of \$500,000 bearing interest at the floating rate of the institution on all outstanding borrowings. The mortgage payable totals \$467,430 and \$490,507 at June 30, 2015 and 2014 and is secured by an interest in the building. Borrowing against the line of credit was \$100,000 at June 30, 2015. Interest expense incurred was \$26,788 and \$24,998 in fiscal 2015 and 2014.

Future payments at June 30, 2015 are payable as follows:

2016	\$ 23,606
2017	22,245
2018	20,876
2019	19,435
2020	17,966
Thereafter	<u>363,302</u>
Total Mortgage Payable	467,430
Line of Credit Borrowing	<u>100,000</u>
	<u>\$ 567,430</u>

**9. Defined Benefit Pension Plan**

United Way maintains a noncontributory defined benefit pension plan ("DB Plan") covering substantially all of its employees. On November 19, 2008, the Board of Directors voted to freeze the benefits accruing under the DB Plan, effective January 1, 2009. On May 18, 2011, the Board of Directors voted to begin the process to terminate the plan as soon as administratively feasible.

DB Plan information for fiscal 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
DB Plan status at June 30,		
Obligations and funded status at year end		
Projected benefit obligation	\$ 3,119,119	\$ 3,218,431
Fair value of DB Plan assets	2,653,780	2,899,730
Funded status	(465,339)	(318,701)
Accumulated benefit obligation	3,119,119	3,218,431
Net periodic benefit cost recognized in the		
statement of activities	72,722	(21,996)
Employer contribution to DB Plan	77,100	77,100
Benefits paid	396,619	88,002

## United Way of Westchester and Putnam, Inc.

Notes to Financial Statements  
June 30, 2015 and 2014

### 9. Defined Benefit Pension Plan (continued)

DB Plan information for fiscal 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Assumptions		
Discount rate	3.50%	3.75%
Expected long-term return on DB Plan assets	6.00%	6.50%
Rate of compensation increase	0.00%	0.00%

#### **Items Not Yet Reflected in Net Periodic Benefit Cost**

Unrecognized actuarial losses not yet recognized in the net periodic pension cost are \$831,047 and \$680,081 at June 30, 2015 and 2014. Periodic benefit cost totaling \$50,500 is expected to be amortized in the next fiscal year.

The Expected Long-Term Rate of Return on Plan Assets assumption of 6.0% was selected using the “building block” approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27 - Selection Economic Assumptions for Measuring Pension Obligations. Based on United Way’s investment policy for the DB Plan in effect as of the beginning of fiscal year, a best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on historical 30-year period rolling averages. An average inflation rate within the range equal to 3.00% was selected and added to the real rate of return range to arrive at a best estimate range of 5.43% - 6.95%. A rate close to the midpoint of the best estimate range of 6.0% was selected.

#### **DB Plan Assets**

The DB Plan assets as of June 30 by category consist of:

	<u>2015</u>	<u>2014</u>
Equity securities	\$ 803,108	\$ 914,243
Insurance company general account	<u>1,850,672</u>	<u>1,985,487</u>
	<u>\$ 2,653,780</u>	<u>\$ 2,899,730</u>

Equity securities are valued using Level 1 inputs. Investments in the insurance company general account are held with Mutual of America and are valued using Level 3 inputs. The investment policy of the plan requires an investment allocation mix of 30% in equities and 70% in guaranteed interest accounts. The asset mix will be rebalanced quarterly if the ratio varies by more than 5%.

#### **Contributions**

United Way expects to contribute \$77,100 to its DB Plan in fiscal 2016.

## United Way of Westchester and Putnam, Inc.

Notes to Financial Statements  
June 30, 2015 and 2014

### 9. Defined Benefit Pension Plan *(continued)*

#### ***Estimated Future Benefit Payments***

Expected future benefit payments for each of the next five years and in the aggregate for the subsequent five years are as follows:

Fiscal years ending June 30	
2016	\$ 771,000
2017	836,000
2018	58,000
2019	88,000
2020	359,000
2021 to 2024	322,000

### 10. Defined Contribution Pension Plan

United Way maintains a defined contribution pension plan (“DC Plan”) covering substantially all of its employees. Contributions to the DC Plan are computed as a percentage of each employee’s basic compensation for all enrolled employees who have completed one year of service and factor in their position within the United Way. Eligible employees may make voluntary contributions to the DC Plan. Employer contributions were \$87,874 and \$112,032 for the years ended June 30, 2015 and 2014.

### 11. Funds Held for Long-Term Investment

United Way has interpreted the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the United Way 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 fund, and (c) accumulations of investment returns 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 as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the United Way in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The primary investment objective is to provide over time a real rate of return over inflation that will maintain (and preferably increase) the real value of the assets in order to support in perpetuity the United Way’s mission. The spending policy of the United Way is to use a 5% payout of the rolling three year average market value of its investments.

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2015 and 2014

**11. Funds Held for Long-Term Investment (continued)**

Activity in funds held for long-term investment for the years ended June 30, 2015 and 2014 is summarized as follows:

	Unrestricted Quasi- Endowment	Temporarily Restricted	Permanently Restricted	Total
Balance, June 30, 2013	\$ 355,102	\$ 369,832	\$ 1,286,072	\$ 2,011,006
Contributions	62,227	-	-	62,227
Transfers, net	(43,000)	-	-	(43,000)
Investment gain	163,690	189,384	-	353,074
Appropriation for expenditures	<u>(57,351)</u>	<u>(69,482)</u>	-	<u>(126,833)</u>
Balance, June 30, 2014	480,668	489,734	1,286,072	2,256,474
Contributions	189,299	-	-	189,299
Transfers, net	(243,771)	-	-	(243,771)
Investment gain	66,893	70,886	-	137,779
Appropriation for expenditures	<u>(59,987)</u>	<u>(75,645)</u>	-	<u>(135,632)</u>
Balance, June 30, 2015	<u>\$ 433,102</u>	<u>\$ 484,975</u>	<u>\$ 1,286,072</u>	<u>\$ 2,204,149</u>

**12. Temporarily Restricted Net Assets**

Temporarily restricted net assets as of June 30 consist of the following:

	<u>2015</u>	<u>2014</u>
Intergenerational Initiative grant	\$ -	\$ 168,328
JPMorgan Chase grant	11,164	36,215
Ruth Taylor Award Fund	37,120	32,857
Holland Scholarship Fund	58,319	55,647
Entergy 3rd Grade Reading	20,000	-
Financial education initiatives	66,526	35,000
Bendheim Community Disaster Recovery Fund	123,374	118,418
Westchester Disaster Recovery Fund	25,203	25,009
Hurricane Sandy Fund	2,194	72,202
Future periods	29,600	35,600
Endowment earnings not appropriated	<u>484,975</u>	<u>489,734</u>
	<u>\$ 858,475</u>	<u>\$ 1,069,010</u>

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2015 and 2014

**12. Temporarily Restricted Net Assets (continued)**

Temporarily restricted net assets released from restrictions for the years ended June 30 consisted of the following:

	<u>2015</u>	<u>2014</u>
Intergenerational Initiative grant	\$ 168,328	\$ 217,380
JPMorgan Chase grant	36,025	46,623
Ruth Taylor Award Fund	14,062	15,000
Financial education initiatives	5,000	66,943
Education initiatives	10,000	13,500
Health initiatives	75,000	-
Westchester Disaster Recovery Fund	-	3,292
Hurricane Sandy Fund	70,009	34,728
Future periods	35,600	71,055
Beneficial interest in charitable annuities	-	18,619
Endowment	<u>75,645</u>	<u>69,482</u>
	<u>\$ 489,669</u>	<u>\$ 556,622</u>

**13. Permanently Restricted Net Assets**

Permanently restricted net assets as of June 30 consist of the following:

Permanent endowment, use of income restricted to program	\$ 1,167,722	\$ 1,167,722
Permanent endowment, with no restriction on the use of income	118,350	118,350
Ruth Taylor Award Fund	<u>287,422</u>	<u>309,261</u>
	<u>\$ 1,573,494</u>	<u>\$ 1,595,333</u>

## United Way of Westchester and Putnam, Inc.

Notes to Financial Statements  
June 30, 2015 and 2014

### 14. 2-1-1 Hudson Valley Region

In 2000, United Way of Westchester and Putnam convened the other United Ways in the Hudson Valley region (Dutchess, Orange, Rockland, Sullivan, and Ulster) to develop and maintain a multi-lingual helpline utilizing the nationally designated number 2-1-1. The 2-1-1 service enables those in need or in crisis to reach professionally trained information and referral specialists utilizing a comprehensive database of community and municipal resources to connect callers to health and human services that can assist them. From May 2009 to present, this database has been available to the public ([www.hudson211.org](http://www.hudson211.org)) so that anyone can search this comprehensive database at anytime. 2-1-1 Hudson Valley Region operates as a program of the United Way and is being underwritten by local United Ways, governments and corporate foundations.

### 15. Gifts-in-Kind

Gifts in kind consisted of the following for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Allocations and grants	\$ 1,815,369	\$ 1,615,114
Promotional and marketing expenses	81,613	57,095
Technical support and general expenses	<u>23,885</u>	<u>42,480</u>
	<u>\$ 1,920,867</u>	<u>\$ 1,714,689</u>

### 16. Other Transactions

United Way recorded dues expense for the years ended June 30 as follows:

	<u>2015</u>	<u>2014</u>
United Way Worldwide	\$ 84,019	\$ 89,005
United Way of New York State	26,488	26,488
Gifts in Kind International	<u>7,000</u>	<u>15,025</u>
	<u>\$ 117,507</u>	<u>\$ 130,518</u>

**United Way of Westchester and Putnam, Inc.**

Notes to Financial Statements  
June 30, 2015 and 2014

**17. Commitments and Contingencies**

United Way leases certain office equipment under capital lease agreements which extend through fiscal year 2019. Future minimum lease payments at June 30, 2015 are as follows:

2016	\$ 37,248
2017	37,248
2018	37,248
2019	<u>20,517</u>
Minimum Lease Payments	132,261
Less amounts representing interest	<u>(13,506)</u>
Present Value of Minimum Obligations Under Capital Leases	<u>\$ 118,755</u>

The present value of capital lease obligations of \$118,755 and \$147,857 at June 30, 2015 and 2014 is included in other liabilities in the statements of financial position. Rental expense and other equipment expenses were \$13,168 and \$14,417 in fiscal 2015 and 2014.

**18. Emergency Food and Shelter Program**

Each year, the United States Congress appropriates funds for an emergency food and shelter program which is administered by a national board involving nine major not-for-profit organizations, including the United Way Worldwide. In turn, local emergency food and shelter boards, involving local representatives of the nine organizations, including local United Ways and other local public and community leaders, recommend how local shares of the total appropriation, based on several needs-oriented factors, should be distributed among those local 501(c) (3) agencies requesting emergency funds to expand their capacity to serve the newly hungry and homeless. United Way administers the program in Westchester and Putnam, supports the local Board's decision-making process, and monitors the use of all funds allocated. In fiscal years 2015 and 2014, a total (unaudited) of \$376,153 and \$353,089, was granted. Although these are resources managed by United Way, the amounts are not included in the statements of activities.

## United Way of Westchester and Putnam, Inc.

Notes to Financial Statements  
June 30, 2015 and 2014

### 19. Administrative Cost Ratio

United Way calculates its Administrative Cost Ratio as total supporting services expenses divided by total public support and revenue plus certain additional funds raised which are not included in the accompanying financial statements and is reflected below.

	<u>2015</u>	<u>2014</u>
Total public support and revenue as reported in the accompanying Statements of Activities	\$ 6,272,207	\$ 6,715,333
Add:		
Estimated uncollectible pledges receivable	200,843	117,831
Donor designated funds raised on behalf of others	5,051,392	4,999,569
Emergency Food and Shelter Program (Note 18)	<u>376,153</u>	<u>353,089</u>
Total	<u>\$ 11,900,595</u>	<u>\$ 12,185,822</u>
Supporting Services Expense	<u>\$ 1,252,089</u>	<u>\$ 1,596,677</u>
Administrative Cost Ratio	<u>10.52%</u>	<u>13.10%</u>

### 20. Deficiency from Operations

The Board and management will continue to monitor the organization's operating deficit throughout the year. With the Board's guidance, management will continue the practice of closely reviewing the campaign results throughout the upcoming year. In accordance with this practice, actions to reduce the deficit by adjusting the operating budget and/or initiatives will continue as deemed necessary. The operating budget has continually been reduced the last five years and through strict monitoring the organization ended fiscal year 2015 under the approved budget. Also, in fiscal 2016, management under the direction of the Board, plans to utilize a portion of temporarily restricted accrued earnings from the United Way's endowment to reduce outstanding obligations related to program work, and will continue to monitor during 2016.

Resources will continue to be focused on raising increased and new undesignated gifts and targeted funds for mission work. During fiscal 2016, management and staff are actively pursuing and submitting requests for large federal and other grants which will support its K-3 reading initiatives while also providing support to the operating budget. Also, United Way has been named the backbone agency in collaboration with a local municipality which will allow for the enhancement and expansion of work in the education area and again provide support to the operating budget. Additionally, a gala and golf outing with the potential to raise net revenue of \$120,000 (unaudited) combined are planned for Spring 2016.

Management, in consultation with the Board, continually monitors the budgetary issues associated with the 2-1-1 service. Efforts to secure new contracts and grants with private and public funders to sustain the viability and mission of 2-1-1 are ongoing.

Finally, the Board and management will continue to implement steps to address the considerable pension liability to the extent that they can control this portion of the deficit.

\* \* \* \* \*

## **United Way of Westchester and Putnam, Inc.**

### Supplemental Information

Detail is provided on the following pages for select line items from the:

#### **Statements of Activities (page 4)**

Details related to Campaign Results (page 23)

Details related to Donor Designated Funds Raised on Behalf of Others (page 26)

#### **Statement of Functional Expenses (page 5)**

Details related to Total Community Impact (page 25)

Details related to Total Special Initiatives (page 25)

Details related to Total Constituency Services (page 25)

**United Way of Westchester and Putnam, Inc.**

Schedule of Campaign Results  
For the Year Ended June 30, 2015

Regional Campaign		\$ 4,322,934
Local Corporate and Employee contributions		1,926,260
Amounts collected and received directly from United Way of:		
Bronxville - Eastchester - Tuckahoe	\$ 8,735	
Harrison and Purchase	134,003	
Larchmont-Mamaroneck	284,148	
Mid-Hudson	70,648	
Mount Vernon	2,433	
New Rochelle	104,505	
Northern Westchester	320,278	
Pelham	48,137	
Town of Rye, Port Chester, Ryebrook	8,835	
Scarsdale - Edgemont	305,520	
Rye	66,022	
The Tarrytowns	23,170	
Greater White Plains	39,542	
Yonkers	5,508	
Putnam	<u>7,221</u>	
Total Community United Ways		1,428,705
State Employees Federated Appeal		58,889
Westchester County Charitable Contributions Campaign		6,325
Special Events		83,475
Community Leadership Dinners		3,075
2-1-1 Hudson Valley Region		1,147,970
Ruth Taylor Award Fund		18,325
Other grants		60,131
Legacies and bequests/Term Life		<u>221,373</u>
Total Campaign Funds Raised		9,277,462
Less: Amounts included in reported campaign that are classified differently for financial statement purposes		
Legacies and bequests		(221,373)
Non campaign contributions		(12,124)
Sponsorships included in "Other Income"		<u>85,627</u>
<b>Campaign Results, as Reported in the Statement of Activities</b>		<b><u>\$ 9,129,592</u></b>

**United Way of Westchester and Putnam, Inc.**

Schedule of Funds Distributed to Partner Agencies  
As of June 30, 2015

	<b><u>Board Allocated</u></b>
<b>COMMUNITY IMPACT</b>	
Education	
Boys & Girls Club of Northern Westchester	\$ 18,000
Child Care Council of Westchester	13,000
Columbia University	3,500
Family Service Society of Yonkers	25,000
Fordham University	1,500
Graduate Center, CUNY	1,000
Hunter College School of Social Work	3,500
Lehman College	2,000
Passage to Excellence	18,000
Student Advocacy	18,000
STRIVE Program	447
The Guidance Center	18,000
University of Pennsylvania	1,500
Westchester Jewish Community Services	18,000
Westhab	18,000
Total Education	<b><u>\$ 159,447</u></b>
Income	
Careers for People with Disabilities	\$ 15,000
Family Service Society of Yonkers	15,000
Financial Education Program	27,310
Housing Action Council	25,000
Urban League of Westchester	15,000
Westchester Disabled on the Move	5,000
Total Income	<b><u>\$ 102,310</u></b>
Health	
ArtsWestchester	\$ 15,000
Cornell Cooperative Extension	10,000
Family Service Society of Yonkers	25,000
Green Chimney's	10,000
Open Door Family Medical Center	18,000
Patterson Library	5,000
Rye YMCA	18,000
Scarsdale-Edgemont Family Counseling Center	15,000
Student Assistance Services	14,000
Yonkers Family YMCA	18,000
Total Health	<b><u>\$ 148,000</u></b>

**United Way of Westchester and Putnam, Inc.**

Schedule of Funds Distributed to Partner Agencies  
As of June 30, 2015

	<b><u>Board Allocated</u></b>
Community and Non Profit Support/Contract Programs	
African American Men of Westchester	\$ 3,500
Nonprofit Westchester	1,200
Not-For-Profit Leadership Summit	86,601
Pro Bono Partnership	5,000
Volunteer NY!	150,000
Total Community and Non Profit Support/Contract Programs	<b><u>\$ 246,301</u></b>
<b>Total Community Impact</b>	<b><u>\$ 656,058</u></b>
<b>Special Initiatives</b>	
Local Presence Community Grants	
Northern Westchester	
A-Home	\$ 1,000
Hope's Door	1,000
Neighbor's Link	1,000
New Beginnings of Westchester	1,000
Preservation Company	1,000
Search for Change	1,000
Support Connection	1,000
Scarsdale-Edgemont	
Bread of Life Food Pantry	1,100
Duchesne Center for Religious & Social Justice	800
Edgemont Scholarship Council	800
Greyston Foundation	1,000
Friends of Scarsdale Public Library	1,000
Hospice & Palliative Care of Westchester	700
Larchmont-Mamaroneck RADAR	800
Scarsdale High School PTA Scholarship Fund	800
<b>Total Special Initiatives</b>	<b><u>\$ 14,000</u></b>
<b>CONSTITUENCY SERVICES</b>	
Gifts in Kind Program	
Local Product Donations and Product Donations received from Gifts in Kind	\$ 1,837,369
United Way - Pace University Not for Profit Management Center	3,840
<b>Total Constituency Services</b>	<b><u>\$ 1,841,209</u></b>

**United Way of Westchester and Putnam, Inc.**

Donor Designated Funds Raised on Behalf of Others  
June 30, 2015

**DONOR DESIGNATED FUNDS RAISED ON BEHALF OF OTHERS  
IN WESTCHESTER AND PUTNAM**

Various not-for-profits in Westchester and Putnam	\$ 34,266
Other United Ways	<u>10,322</u>
Donor Designated Funds Raised on Behalf of Others in Westchester and Putnam	44,588
Donor designations outside of Westchester and Putnam	<u>5,006,804</u>
<b>Total Donor Designated Funds Raised on Behalf of Others</b>	<b><u>\$ 5,051,392</u></b>