

**UNITED WAY OF WYOMING VALLEY,
PENNSYLVANIA ALSO D/B/A UNITED
WAY OF SUSQUEHANNA COUNTY**

**YEARS ENDED
JUNE 30, 2016 AND 2015**

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

YEARS ENDED JUNE 30, 2016 AND 2015

CONTENTS

	PAGE
Independent auditor's report	1 - 2
Financial statements:	
Statements of financial position	3
Statements of activities	4 - 7
Statements of functional expenses	8 - 9
Statements of cash flows	10
Notes to financial statements	11 - 15
Report on internal control over financial reporting and on compliance and other matter based on an audit of financial statements performed in accordance with <u>Government Auditing Standards</u>	16 - 17



**Kronick
Kalada
Berdy & Co.**
A Professional Corporation

Certified Public Accountants

Officers/Shareholders

Donald M. Kronick, CPA
Paul Berdy, CPA
William R. Lazor, CPA/PFS, CFE
Deborah A. Eastwood, CPA
Kevin R. Foley, CPA
William Fromel, CPA
Mario Ercolani, CPA
Anthony R. Caravaggio, CPA
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Joseph J. Kalada, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Wyoming Valley, Pennsylvania also
D/B/A United Way of Susquehanna County

Report on the Financial Statements

We have audited the accompanying financial statements of the United Way of Wyoming Valley, Pennsylvania also D/B/A United Way of Susquehanna County (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2016 and 2015, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 Wyoming Valley, Pennsylvania also D/B/A United Way of Susquehanna County as of June 30, 2016 and 2015 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2016 on our consideration of the United Way of Wyoming Valley, Pennsylvania also D/B/A United Way of Susquehanna County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Wyoming Valley Pennsylvania also D/B/A United Way of Susquehanna County's internal control over financial reporting and compliance.

Kronick Kalada Berdy & Co

Kingston, Pennsylvania
November 9, 2016

**UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY**

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash	\$ 1,141,522	\$ 1,244,650
Campaign pledges receivable, net of allowance for uncollectibles of \$147,867, 2016 and \$167,585, 2015	1,006,516	1,038,007
Accounts receivable		1,837
Grants receivable	150,933	148,990
Investments	12,402,448	11,726,481
Property and equipment, net of accumulated depreciation of \$120,007, 2016 and \$101,145, 2015	52,613	57,808
Other assets	45,324	43,497
Total assets	\$ 14,799,356	\$ 14,261,270
LIABILITIES AND NET ASSETS		
Allocations and designations payable	\$ 2,159,805	\$ 2,484,524
Grants payable	131,732	126,636
Accounts payable	11,829	7,658
Accrued payroll and other	66,033	56,459
Other liabilities	254,838	89,102
Total liabilities	2,624,237	2,764,379
Net assets:		
Unrestricted:		
Undesignated	615,402	500,084
Board designated	2,683,410	2,406,405
Total unrestricted	3,298,812	2,906,489
Temporarily restricted	1,056,516	1,138,007
Permanently restricted	7,819,791	7,452,395
Total net assets	12,175,119	11,496,891
Total liabilities and net assets	\$ 14,799,356	\$ 14,261,270

See notes to financial statements

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	Unrestricted	Temporarily restricted	Permanently restricted	Total	
	2016	2015		2016	2015
Public support and revenue:					
Gross campaign results	\$ 2,444,226	\$ 1,154,383		\$ 3,598,609	\$ 3,621,233
Less:					
Provision for uncollectables		(147,867)		(147,867)	(167,585)
Donor designations	(825,092)			(825,092)	(722,951)
Net campaign revenue	1,619,134	1,006,516		2,625,650	2,730,697
Other contributions			\$ 958	958	82,642
Designations from other United Ways	257,559			257,559	217,620
Gifts-in-kind	151,732			151,732	134,836
Grants and contracts	944,777			944,777	928,501
Investment results	190,950		481,756	672,706	361,734
Service fee income	23,128			23,128	29,001
Administration income	3,632			3,632	14,084
Net assets released from restrictions	1,203,325	(1,088,007)	(115,318)		
Total public support and revenue	4,394,237	(81,491)	367,396	4,680,142	4,499,115

(continued)

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	Unrestricted	Temporarily restricted	Permanently restricted	Total	
				2016	2015
Expenses:					
Program services:					
Gross funds awarded	\$ 2,551,309			\$ 2,551,309	\$ 2,562,290
Less donor designations	<u>(825,092)</u>			<u>(825,092)</u>	<u>(722,951)</u>
	1,726,217			1,726,217	1,839,339
Community impact	454,491			454,491	405,359
Program and planning	49,290			49,290	54,453
HIV health planning	<u>959,495</u>			<u>959,495</u>	<u>950,014</u>
Total program services	<u>3,189,493</u>			<u>3,189,493</u>	<u>3,249,165</u>
Supporting services:					
Management and general	409,088			409,088	421,754
Fund raising	<u>403,333</u>			<u>403,333</u>	<u>438,143</u>
Total supporting services	<u>812,421</u>			<u>812,421</u>	<u>859,897</u>
Total expenses	<u>4,001,914</u>			<u>4,001,914</u>	<u>4,109,062</u>
Change in net assets	392,323	\$ (81,491)	\$ 367,396	678,228	390,053
Net assets, beginning	<u>2,906,489</u>	<u>1,138,007</u>	<u>7,452,395</u>	<u>11,496,891</u>	<u>11,106,838</u>
Net assets, ending	<u>\$ 3,298,812</u>	<u>\$ 1,056,516</u>	<u>\$ 7,819,791</u>	<u>\$ 12,175,119</u>	<u>\$ 11,496,891</u>

See notes to financial statements

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Public support and revenue:				
Gross campaign results	\$ 2,415,641	\$ 1,205,592		\$ 3,621,233
Less:				
Provision for uncollectables		(167,585)		(167,585)
Donor designations	(722,951)			(722,951)
Net campaign revenue	1,692,690	1,038,007		2,730,697
Other contributions			\$ 82,642	82,642
Designations from other United Ways	217,620			217,620
Gifts-in-kind	134,836			134,836
Grants and contracts	928,501			928,501
Investment results	127,849		233,885	361,734
Service fee income	29,001			29,001
Administration income	14,084			14,084
Net assets released from restrictions	1,108,716	(1,005,500)	(103,216)	
Total public support and revenue	4,253,297	32,507	213,311	4,499,115

(continued)

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Expenses:				
Program services:				
Gross funds awarded	\$ 2,562,290			\$ 2,562,290
Less: donor designations	<u>(722,951)</u>			<u>(722,951)</u>
	1,839,339			1,839,339
Community impact	405,359			405,359
Program and planning	54,453			54,453
HIV health planning	<u>950,014</u>			<u>950,014</u>
Total program services	<u>3,249,165</u>			<u>3,249,165</u>
Supporting services:				
Management and general	421,754			421,754
Fund raising	<u>438,143</u>			<u>438,143</u>
Total supporting services	<u>859,897</u>			<u>859,897</u>
Total expenses	<u>4,109,062</u>			<u>4,109,062</u>
Change in net assets	144,235	\$ 32,507	\$ 213,311	390,053
Net assets, beginning	<u>2,762,254</u>	<u>1,105,500</u>	<u>7,239,084</u>	<u>11,106,838</u>
Net assets, ending	<u>\$ 2,906,489</u>	<u>\$ 1,138,007</u>	<u>\$ 7,452,395</u>	<u>\$ 11,496,891</u>

See notes to financial statements

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	Program Services			Supporting Services		Grand Total	
	Community Impact	Program and Planning	HIV Health Planning	Management & General	Fund Raising	Total	
Salaries	\$ 269,302	\$ 28,333	\$ 96,442	\$ 231,399	\$ 189,990	\$ 421,389	\$ 815,466
Payroll taxes	21,834	2,297	6,869	17,289	15,404	32,693	63,693
Employee benefits	52,143	5,486	22,052	39,222	36,787	76,009	155,690
Sub-total	343,279	36,116	125,363	287,910	242,181	530,091	1,034,849
Contract services			793,776		12,991	12,991	806,767
Professional fees	558		3,000	27,965		27,965	31,523
Supplies	6,236	240	927	2,617	2,380	4,997	12,400
Telephone	1,515	628	999	3,746	2,533	6,279	9,421
Postage and shipping	889	13	541	1,809	2,369	4,178	5,621
Occupancy	21,407	389	14,042	47,084	30,159	77,243	113,081
Communication and marketing	533	478	130	2,331	22,436	24,767	25,908
Travel	507	357	98	6,222	4,031	10,253	11,215
Conferences	7	45	52	884	5,386	6,270	6,322
Gifts-in-kind	56,259	8,420	20,147	84,826	61,906	61,906	146,732
Miscellaneous	3,849	558	472	12,061	3,238	15,299	20,178
United Way dues	12,387	1,303	13,690	10,389	8,739	19,128	32,818
Sub-total	447,426	48,547	959,495	403,018	398,349	801,367	2,256,835
Depreciation expense	7,065	743		6,070	4,984	11,054	18,862
Total	\$ 454,491	\$ 49,290	\$ 959,495	\$ 409,088	\$ 403,333	\$ 812,421	\$ 2,275,697

See notes to financial statements

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

	Program Services			Supporting Services		
	Community Impact	Program and Planning	HIV Health Planning	Management & General	Fund Raising	Total
Salaries	\$ 251,073	\$ 31,037	\$ 118,470	\$ 226,353	\$ 214,102	\$ 440,455
Payroll taxes	23,364	2,888	9,119	18,822	19,923	38,745
Employee benefits	43,407	5,366	21,058	34,659	37,016	71,675
Sub-total	317,844	39,291	148,647	279,834	271,041	550,875
Contract services		122	760,138		12,084	772,344
Professional fees			3,000	30,750	3,000	33,750
Supplies	6,032	90	718	5,208	1,926	7,134
Telephone	1,197	671	1,098	4,179	2,871	7,050
Postage and shipping	860	30	769	2,295	2,372	4,667
Occupancy	15,828	576	15,000	51,821	31,424	83,245
Communication and marketing	649	364	246	1,985	20,624	22,609
Travel	500	186	677	7,866	3,390	11,256
Conferences	35			235	6,499	6,734
Gifts-in-kind	39,739	9,985	18,751	61,361	61,361	129,836
Miscellaneous	3,753	799	970	20,770	5,416	26,186
United Way dues	11,766	1,454	13,220	10,359	10,033	20,392
Sub-total	398,203	53,568	950,014	415,302	432,041	847,343
Depreciation expense	7,156	885	8,041	6,452	6,102	12,554
Total	\$ 405,359	\$ 54,453	\$ 950,014	\$ 421,754	\$ 438,143	\$ 859,897
			\$ 1,409,826	\$ 421,754	\$ 438,143	\$ 2,269,723

See notes to financial statements

**UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY**

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Cash flows from operating activities:		
Increase in net assets	\$ 678,228	\$ 390,053
Adjustments:		
Depreciation	18,862	20,595
Land impairment		25,876
Realized and unrealized investment gains, net	(364,076)	(73,393)
(Increase) decrease in:		
Pledges receivable	31,491	(32,507)
Accounts receivable	1,837	7,599
Grants receivable	(1,943)	31,471
Other assets	(1,827)	(1,256)
Increase (decrease) in:		
Allocations and designations payable	(324,719)	175,338
Grants payable	5,096	(29,466)
Accounts payable	4,171	7,658
Accrued payroll and other	9,574	(2,051)
Other liabilities	165,736	71,991
	<u>222,430</u>	<u>591,908</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Additions to property and equipment	(13,667)	(49,496)
Purchase of investments	(3,356,254)	(7,311,221)
Proceeds from sale of investments	3,044,363	6,926,122
	<u>(325,558)</u>	<u>(434,595)</u>
Net cash used in investing activities		
Net increase (decrease) in cash	(103,128)	157,313
Cash at beginning of year	<u>1,244,650</u>	<u>1,087,337</u>
Cash at end of year	<u>\$ 1,141,522</u>	<u>\$ 1,244,650</u>

See notes to financial statements

**UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 1 Activities and summary of significant accounting policies

Nature of activities

The United Way of Wyoming Valley, Pennsylvania also D/B/A United Way of Susquehanna County (the Organization) is a non-profit corporation formed in March 1956. The purpose of this corporation is to assess on a continuing basis the need for health and human service programs, especially as these relate to childhood poverty, foster cooperation among local, state and federal agencies serving the community and to raise funds among individuals, business enterprises, trusts and foundations for the benefit of the education and health of children, the financial stability of families and safety net services for the community.

Reclassifications

Certain reclassifications were made to prior year amounts to conform to the current year presentation.

Basis of accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenues and expenses are recognized and recorded when earned or incurred. The financial statements reflect unrestricted, temporarily restricted and permanently restricted net assets and activities.

Basis of presentation

Financial statement presentation follows the requirements of generally accepted accounting principles as they relate to a Pennsylvania not-for-profit. Therefore, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets are not subject to donor-imposed restrictions and may be designated for specific purposes by action of the Board of Directors. At June 30, 2016 and 2015 Board designated unrestricted net assets to be used for future community impact and safety net opportunities were \$2,683,410 and \$2,406,405, respectively.

Temporarily restricted net assets are subject to donor-imposed stipulations that may be fulfilled by actions of the Organization or the passage of time.

Permanently restricted net assets have been restricted by donors to be maintained in perpetuity as interpreted by the legal designation of endowment in Pennsylvania. These assets consist of endowment funds and investment earnings and the realized and unrealized gains and losses on the investment portfolio related to permanently restricted net assets. As provided by Pennsylvania law, an annual amount of permanently restricted net assets available for spending is determined and transferred to unrestricted net assets. The Organization has adopted investment and spending policies for endowment assets that attempt to provide a constant stream of funding. These assets are invested in a manner that is intended to produce positive results, while assuming a moderate level of investment risk.

Support and revenue are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions that are not fulfilled in the accounting

**UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2016 AND 2015

period or if there are permanent restrictions. All expenses and losses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets, that is, the expiration of the donor-imposed stipulated purpose or the elapsing of the specified time period, are reported as net assets released from restrictions. Temporarily restricted net assets at June 30, 2016 and 2015 and such amounts released from restrictions in 2016 and 2015 consist of amounts that are time restricted because they represent outstanding pledges receivable at year end that are otherwise unrestricted.

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions and promises to give subject to temporary donor-imposed restrictions are recorded as temporarily restricted support until the donor-imposed restriction has been fulfilled or the stipulated time period has elapsed. Contributions, promises to give and investment results subject to permanent donor-imposed stipulations that the corpus be maintained permanently are recognized as increases in permanently restricted net assets.

Pledges receivable

The majority of the promises to give are received from a broad base of Northeastern Pennsylvania residents and organizations as a result of the annual campaign. An allowance for uncollectible promises to give is based on management's evaluation of potential uncollectible pledges.

Investments

Investments are measured at fair market value in the statements of financial position. The unrealized gains or losses on investments are reflected in the statements of activities.

Donated services and equipment

A substantial number of unpaid volunteers have made significant contributions of their time to the Organization. The value of their time is not reflected in the financial statements because it does not meet the current requirements for accounting recognition.

Contributed equipment and other in-kind contributions are reflected as contributions at their estimated fair value.

Property and equipment

Property and equipment are stated at cost or, if donated, at estimated fair value at the date of the donation. Depreciation is computed using the straight-line method over the estimated useful lives.

Allocations payable

Allocations payable represent the amount of financial support that has been pledged to be given to specified participating agencies by the Allocations Committee of the Board of Directors. If, for any reason, the budgeted amount has not been fully disbursed to the participating agency the remaining portion of the undistributed allocation is returned to the unrestricted net assets for future allocations. Allocations payable were approximately \$1,875,000 at June 30, 2016 and \$1,964,000 at June 30, 2015.

**UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2016 AND 2015

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Statements of functional expenses

The costs of providing various program and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted using a plan based on employee time records and management estimates.

Income taxes

The Organization has been recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies as a publicly supported organization as defined within Sections 509(a)(9) and 170(b)(1)(A)(vi). The Organization has open tax years from 2013-2016.

NOTE 2 Investments

A summary of investments at June 30 are as follows:

	<u>2016</u>	<u>2015</u>
Money Market Funds	\$ 206,181	\$ 59,364
Certificates of Deposit	631,049	1,081,550
Corporate Bonds or Bond Funds	735,859	1,041,165
U.S. Government Agency Bonds	456,803	690,821
U.S. Treasury Notes	1,413,011	935,503
Equities	<u>8,959,545</u>	<u>7,918,078</u>
Total market value	12,402,448	11,726,481
Cost less than market	<u>(1,214,504)</u>	<u>(1,148,306)</u>
Total cost	<u>\$ 11,187,944</u>	<u>\$ 10,578,175</u>

Equities primarily consist of mutual funds not covered by FDIC insurance that are held at financial service firms. The mutual funds and other investments are valued at quoted market prices, which for mutual funds represent the net asset value of shares held by the Organization (Level 1 investment assets – quoted prices). The fair value of the U.S government/treasury and corporate bonds was determined by the number of bonds held times the quoted closing price at valuation date (Level 2 investment assets – other significant observable inputs).

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

**UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2016 AND 2015

investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

The Plan's investment assets at fair value for Level 1 Investments were \$9,796,775 and \$9,058,992 and for Level 2 investments were \$2,605,673 and \$2,667,489 as of June 30, 2016 and 2015, respectively.

Investment return is summarized as follows:

	2016		
	Unrestricted	Endowments	Total
Unrealized gain	\$ 40,699	\$ 102,682	\$ 143,381
Realized gain	62,645	158,050	220,695
Interest and dividend income	92,579	233,570	326,149
Less:			
Management fees	(4,973)	(12,546)	(17,519)
Investment return	\$ 190,950	\$ 481,756	\$ 672,706
	2015		
	Unrestricted	Endowments	Total
Unrealized loss	\$ (270,341)	\$ (881,861)	\$ (1,152,202)
Realized gain	306,662	918,933	1,225,595
Interest and dividend income	91,528	252,914	344,442
Less:			
Management fees		(30,225)	(30,225)
Land Impairment charge		(25,876)	(25,876)
Investment return	\$ 127,849	\$ 233,885	\$ 361,734

Land impairment charge as of June 30, 2015 represents the difference between the carrying value and the fair value of the land held for resale.

UNITED WAY OF WYOMING VALLEY, PENNSYLVANIA
ALSO D/B/A UNITED WAY OF SUSQUEHANNA COUNTY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 3 Retirement plan

The Organization has a defined contribution plan which provides retirement benefits for employees who meet the requirements of the plan. The Organization's contribution, which is based on 9% of the employee's annual compensation and is charged against operations as incurred, amounted to \$66,778 in 2016 and \$61,888 in 2015.

NOTE 4 Commitments and cash concentration

Lease commitment:

Beginning October 1, 2014, the Organization leases office space for \$6,000 per month and the lease expires September 30, 2024. Rent expense for the years ended June 30, 2016 and 2015 was \$72,000.

The Organization has cash in five commercial banks which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank.

NOTE 5 Subsequent events

Management has evaluated subsequent activity through November 9, 2016, which is the date these financial statements were available for issue. There were no subsequent events that would require disclosure.



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Joseph J. Kalada, CPA

**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards**

Independent Auditor's Report

Board of Directors
United Way of Wyoming Valley, Pennsylvania also
D/B/A United Way of Susquehanna County

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of Wyoming Valley, Pennsylvania, also D/B/A United Way of Susquehanna County (the "Agency"), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention to those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kronick Kalada Berdy & Co

Kingston, Pennsylvania
November 9, 2016