UNITED WAY OF GREATER ROCHESTER, INC.
AND AFFILIATE

Consolidated Financial Statements
as of March 31, 2016
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

September 1, 2016

To the Board of Directors of
United Way of Greater Rochester, Inc.:

We have audited the accompanying consolidated financial statements of United Way of Greater Rochester, Inc. (a New York not-for-profit corporation) and Affiliate (collectively, the Organizations) which comprise the consolidated balance sheet as of March 31, 2016, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organizations as of March 31, 2016, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Report on Summarized Comparative Information
We have previously audited the Organizations' 2015 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 21, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2015 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2016 supplementary information contained in Exhibits I – III is presented for purposes of additional analysis of the consolidated financial statements, rather than to present the financial position, result of operations and cash flows of the individual companies, and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

The 2015 supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated 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 2015 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2015 consolidated supplementary information is fairly stated in all material respects in relation to the financial statements from which it has been derived.

Bonadio & Co., LLP

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATE

CONSOLIDATED BALANCE SHEET
MARCH 31, 2016
(With Comparative Totals for 2015)

	2016	2015
ASSETS		
Cash and cash equivalents	$ 6,418,169	$ 8,132,570
Pledges receivable, net	7,928,370	8,032,390
Government grants receivable	500,000	-
Bequests receivable	302,008	407,081
Investments	121,727,954	130,360,376
Property and equipment, net	1,890,286	1,944,183
Beneficial interest in split-interest agreements	3,915,046	4,164,290
Other assets	121,878	391,127
	$ 142,803,711	$ 153,432,017
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 1,271,023	$ 1,827,893
Due to agencies	5,895,988	7,154,035
Due to Red Cross	1,111,310	2,089,846
Charitable gift annuity reserve	248,242	259,755
Funds held for others	100,002	104,966
Pension and postretirement plan liability	6,402,413	6,041,436
Total liabilities	15,028,978	17,477,931
NET ASSETS:		
Unrestricted -		
Board designated	3,350,408	3,326,979
Undesignated	4,556,793	3,794,194
Quasi-endowment	51,540,848	56,233,440
Total unrestricted	59,448,049	63,354,613
Temporarily restricted	34,871,809	39,311,014
Permanently restricted	33,454,875	33,288,459
Total net assets	127,774,733	135,954,086
	$ 142,803,711	$ 153,432,017

The accompanying notes are an integral part of these statements.

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2016
(With Comparative Totals for 2015)

	2016				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	2015 Total
REVENUE, GAINS AND OTHER SUPPORT:					
Annual campaign, net	$ 16,787,702	$ 7,100,628	$ -	$ 23,888,330	$ 23,106,143
Less: Received as agent for other United Ways	(868,975)	-	-	(868,975)	(793,941)
Less: Provision for uncollectible pledges	(867,195)	(962)	-	(868,157)	(832,683)
Annual campaign, net	15,051,532	7,099,666	-	22,151,198	21,479,519
Investment income used in operations in accordance with the United Way's total return spending policy	4,706,074	-	-	4,706,074	4,879,000
Charitable gift fund gifts received	4,808,613	-	-	4,808,613	2,273,503
Donated goods and services	83,779	-	-	83,779	464,865
ROC the Day revenue, net	709,037	-	-	709,037	676,319
Endowment legacies and other gifts received, net	136,763	-	407,888	544,651	314,471
Government grant revenue	500,000	-	-	500,000	-
Other	554,499	16,458	-	570,957	1,671,513
	26,550,297	7,116,124	407,888	34,074,309	31,759,190
Net assets released from restrictions -					
Satisfaction of program restrictions	177,366	(177,366)	-	-	-
Appropriation of endowment assets for expenditure	2,248,934	(2,248,934)	-	-	-
Expiration of time restrictions	6,978,591	(6,978,591)	-	-	-
	9,404,891	(9,404,891)	-	-	-
Total revenue, gains and other support	35,955,188	(2,288,767)	407,888	34,074,309	31,759,190
EXPENSES:					
Program services -					
Allocations	24,144,066	-	-	24,144,066	25,275,479
Community investment and services	3,747,815	-	-	3,747,815	3,187,247
Total program services	27,891,881	-	-	27,891,881	28,462,726
Supporting services -					
Resource development	3,479,556	-	-	3,479,556	3,423,839
General management	2,227,431	-	-	2,227,431	1,983,681
Total supporting services	5,706,987	-	-	5,706,987	5,407,520
Total expenses	33,598,868	-	-	33,598,868	33,870,246
EXCESS (DEFICIENCY) OF REVENUE, GAINS AND OTHER SUPPORT OVER EXPENSES	2,356,320	(2,288,767)	407,888	475,441	(2,111,056)
OTHER ITEMS:					
Investment gain (loss)	(2,019,894)	(2,150,438)	(241,472)	(4,411,804)	5,071,224
Investment income used in operations in accordance with the United Way's total return spending policy	(4,706,074)	-	-	(4,706,074)	(4,879,000)
Change in funded status of pension and postretirement plans	463,084	-	-	463,084	(3,114,479)
CHANGE IN NET ASSETS	(3,906,564)	(4,439,205)	166,416	(8,179,353)	(5,033,311)
NET ASSETS - beginning of year	63,354,613	39,311,014	33,288,459	135,954,086	140,987,397
NET ASSETS - end of year	$ 59,448,049	$ 34,871,809	$ 33,454,875	$ 127,774,733	$ 135,954,086

The accompanying notes are an integral part of these statements.

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2016
(With Comparative Totals for 2015)

	2016							
	Program Services			Supporting Services				
	Allocations	Community Investment and Services	Total	Resource Development	General Management	Total	Total	2015 Total
SALARIES AND RELATED EXPENSES:								
Salaries	$ -	$ 1,761,258	$ 1,761,258	$ 1,586,615	$ 1,096,288	$ 2,682,903	$ 4,444,161	$ 3,718,732
Employee health, retirement, pension and postretirement expenses	-	620,235	620,235	646,447	470,229	1,116,676	1,736,911	1,281,911
Payroll taxes	-	119,945	119,945	119,327	81,662	200,989	320,934	261,707
Total salaries and related expenses	-	2,501,438	2,501,438	2,352,389	1,648,179	4,000,568	6,502,006	5,262,350
OTHER EXPENSES:								
Allocations (including $29,904 of allocation of donated goods in 2016)	20,346,509	-	20,346,509	-	-	-	20,346,509	22,448,664
Less: Granted as agent to other United Ways	(868,975)	-	(868,975)	-	-	-	(868,975)	(793,941)
	19,477,534	-	19,477,534	-	-	-	19,477,534	21,654,723
Charitable gift fund grants	3,991,730	-	3,991,730	-	-	-	3,991,730	3,028,157
ROC the Day allocations	674,802	-	674,802	-	-	-	674,802	592,599
Purchase of services (including $33,799 and $424,417 of donated services in 2016 and 2015, respectively)	-	560,147	560,147	293,944	151,358	445,302	1,005,449	1,493,620
Organization meetings and conferences (including $759 and $3,112 of donated organization meetings and conferences expense in 2016 and 2015, respectively)	-	78,931	78,931	113,803	22,767	136,570	215,501	184,693
United Way Worldwide dues	-	85,318	85,318	103,582	70,600	174,182	259,500	245,107
Information technology	-	78,730	78,730	60,621	57,839	118,460	197,190	167,751
Printing, binding, and advertising	-	77,687	77,687	191,491	2,437	193,928	271,615	216,155
Rent and occupancy (including $139 of donated rent in 2016)	-	36,787	36,787	45,551	25,464	71,015	107,802	113,228
Communication services	-	40,497	40,497	55,746	28,667	84,413	124,910	130,812
Professional fundraising counsel fees	-	-	-	38,660	-	38,660	38,660	74,033
Membership fees	-	66,067	66,067	8,318	7,853	16,171	82,238	64,915
Professional fees (including $21,921 and $23,323 of donated services in 2016 and 2015, respectively)	-	9,560	9,560	11,906	91,221	103,127	112,687	107,579
Insurance	-	27,791	27,791	29,379	22,233	51,612	79,403	89,507
Office supplies (including $- and $100 of donated office supplies in 2016 and 2015, respectively)	-	26,747	26,747	25,329	17,403	42,732	69,479	59,499
Building maintenance and repairs	-	23,440	23,440	24,793	18,757	43,550	66,990	51,754
Transportation	-	9,264	9,264	21,434	3,654	25,088	34,352	43,419
Rental of equipment	-	12,600	12,600	12,254	6,986	19,240	31,840	29,700
Recognition programs (including $325 and $14,012 of donated items in 2016 and 2015, respectively)	-	42,334	42,334	34,440	1,799	36,239	78,573	61,655
Loss on disposal of property and equipment	-	2,001	2,001	2,116	1,601	3,717	5,718	16,851
Interest	-	600	600	481	215	696	1,296	213
Other	-	19,237	19,237	1,900	9,487	11,387	30,624	35,069
Total other expenses	24,144,066	1,197,738	25,341,804	1,075,748	540,341	1,616,089	26,957,893	28,461,039
Total expenses before depreciation	24,144,066	3,699,176	27,843,242	3,428,137	2,188,520	5,616,657	33,459,899	33,723,389
DEPRECIATION	-	48,639	48,639	51,419	38,911	90,330	138,969	146,857
Total expenses	$ 24,144,066	$ 3,747,815	$ 27,891,881	$ 3,479,556	$ 2,227,431	$ 5,706,987	$ 33,598,868	$ 33,870,246

The accompanying notes are an integral part of these statements.

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016
(With Comparative Totals for 2015)

	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ (8,179,353)	$ (5,033,311)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Net realized and unrealized (gain) loss on investments	5,808,559	(3,122,558)
Sale proceeds of donated financial assets	1,889,390	1,697,445
Depreciation	138,969	146,857
Loss on disposal of property and equipment	5,718	16,851
Permanently restricted legacies and gifts	(407,888)	(44,552)
Change in funded status of pension and postretirement plans	(463,084)	3,114,479
Provision for uncollectible pledges	868,157	832,683
Changes in:		
Pledges receivable	(764,137)	572,860
Government grants receivable	(500,000)	-
Other assets	269,249	(245,133)
Bequests receivable	105,073	144,105
Accounts payable and accrued expenses	(556,870)	470,241
Due to agencies	(1,258,047)	882,879
Due to Red Cross	(978,536)	(1,112,428)
Funds held for others	(4,964)	2,776
Pension and postretirement plan liability	824,061	137,677
Net cash flow from operating activities	(3,203,703)	(1,539,129)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(90,790)	(163,628)
Purchases of investments	(6,727,868)	(19,546,947)
Sales of investments	7,662,341	21,379,196
Change in beneficial interest in split-interest arrangements	236,531	22,338
Net cash flow from investing activities	1,080,214	1,690,959
CASH FLOW FROM FINANCING ACTIVITIES:		
Permanently restricted legacies and gifts	407,888	44,552
Decrease in charitable gift annuity reserve	(11,513)	(22,165)
Change in pooled life income fund assets	12,713	(7,111)
Net cash flow from financing activities	409,088	15,276
CHANGE IN CASH AND CASH EQUIVALENTS	(1,714,401)	167,106
CASH AND CASH EQUIVALENTS - beginning of year	8,132,570	7,965,464
CASH AND CASH EQUIVALENTS - end of year	$ 6,418,169	$ 8,132,570

The accompanying notes are an integral part of these statements.

1. BASIS OF PRESENTATION AND DESCRIPTION OF THE ORGANIZATION

The consolidated financial statements include the combined funds of the United Way of Greater Rochester, Inc. (founded in 1918); the United Way of Wayne County, Inc.; the United Way of Ontario County, Inc.; the Genesee Country United Way; the United Way of Livingston County, Inc.; and the United Way of Wyoming County, Inc. (collectively, the United Way). Under the terms of the affiliation agreements, each entity will maintain its corporate existence and any party may terminate the agreement with one year's advance notice to other parties.

The consolidated financial statements also include the accounts of UWGR Holding Company, Inc. (Holding Company), a not-for-profit corporation organized for the purpose of accepting, holding and managing gifts of real property, interests in real property, and other gifts for the sole benefit of United Way of Greater Rochester, Inc. United Way of Greater Rochester, Inc. is Holding Company's sole corporate member.

United Way's mission is to unite the good will and resources of the Greater Rochester community so that everyone can thrive. United Way addresses critical challenges by connecting local people in need with evidence-based programs, strategic funding investments, community initiatives, volunteer support and community leadership to direct resources and solve problems.

United Way is governed by a volunteer Board of Directors (Board) and carries out its purpose through various programs.

Annual Campaign and Year Round Giving
As part of United Way's annual campaign, our resource development team secures financial and volunteer resources on a year-round basis by developing a long-range, revenue generating strategic plan. Critical components of that plan include; recruiting high level volunteers to serve throughout the entire United Way organization; securing and conducting annual workplace campaigns in over 800 organizations; developing a new account acquisition model to secure first time employee campaigns and corporate contributions, with a special emphasis on the small business sector; and connecting community initiatives with government grants and funding for sustainable change. Additionally, an individual giving program is also utilized in the annual campaign that includes; gifts from donors outside workplace campaigns of less than $10k, cultivating major gifts of $10k and above for the Alexis de Tocqueville Society. Other giving opportunities include Women's Leadership Council, African American Leadership Society, Circulo Latino Leadership Society, Labor Leader's Club and Young Leader's Club.

Community Impact
Through its annual campaign efforts, United Way invests donor dollars in the community by utilizing a network of community volunteers who, in coordination with trained staff, determine how to invest dollars in the most efficient and effective manner possible to ensure strong long-term results for our entire community. These dollars are invested where they will make a measurable impact on the community by funding programs, engaging in strategic community partnerships, mobilizing volunteers and advancing advocacy efforts in support of declared strategies to help across a person's lifespan—from babies to elders and everyone in between. These programs are preventative and/or "evidence-based" – proven to work based on extensive research and effective long-lasting results. United Way of Greater Rochester also allows donors to direct their campaign pledges to various service areas, funded providers and other eligible health and human service organizations.

1. BASIS OF PRESENTATION AND DESCRIPTION OF THE ORGANIZATION (Continued)

Community Impact (Continued)
In addition, United Way convenes community initiatives like the Rochester-Monroe Anti-Poverty Initiative, an unprecedented community-wide effort to reduce poverty in the Rochester and Monroe County region by 50 percent over the next 15 years.

This initiative is made possible by extraordinary community collaboration and integration with community leaders, local and state government, service providers and practitioners, faith institutions, volunteers, youth advocates, and importantly, the active participation of people impacted by poverty.

Implementation efforts are underway, focusing on three key areas: adult mentoring/navigating, early childhood supports, and designing a comprehensive and integrated system of social supports. There are three common themes that will serve as the foundation for all anti-poverty planning and implementation efforts, including community building, racial equity and trauma-informed actions.

The initiative's vision is to eliminate poverty by ensuring that every child lives in a stable family environment where the promise of economic mobility is a reality.

Charitable Gift Funds
United Way of Greater Rochester offers various opportunities for planned gifts, charitable gift funds and endowment giving. The charitable gift fund (CGF) program (donor advised fund) is a free service United Way provides to support donor's philanthropic interests. A CGF can be established by an individual, family or group. Gifts are made to the CGF through cash, marketable securities or other assets. The donors may recommend grant distributions from their fund to any qualified domestic 501(c)(3) charity.

ROC the Day
ROC the Day is an annual 24-hour online event established by the United Way of Greater Rochester that provides donors an opportunity to support more than 600 participating not-for-profit organizations in the nine-county Greater Rochester area. United Way powers the ROC the Day website, convenes community partners, recruits local not-for-profits to participate and processes the donations during the event. ROC the Day is open to any eligible not-for-profit in the nine-county Greater Rochester region, serving a variety of sectors including animals, arts and culture, environment, human services, health, education, religion and community development.

Leadership Development
United Way of Greater Rochester provides leadership development programs in the following areas: Young Leaders, African American Leadership, Latinos Leadership, Asian Pacific Americans, LGTBQ and Labor unions. These leadership programs prepare individuals for leadership positions in the community, in particular, on the boards and committees of not-for-profit organizations. The labor participation program continues the collaborations and historic relationships between labor unions and United Way with the annual Union Community Assistance Network program, recognition of the work unions provide, as well as various activities aimed at promoting organized labor's support.

National Campaign Processing
The United Way of Greater Rochester provides processing for workplace campaigns where fundraising occurs at a national level. This processing includes collecting pledges, data entry of the pledges and payment to other United Ways and agencies as directed by the donor. Fees for this service are charged at a rate as allowed by the United Way Worldwide standards and are included in other revenue.

1. BASIS OF PRESENTATION AND DESCRIPTION OF THE ORGANIZATION (Continued)

Affiliate Regional System

United Way of Greater Rochester provides professional leadership and support services in the areas of governance, fundraising, communications, finance, pledge processing, information technology, human resources, marketing and fund distribution to independent United Way affiliates in Wayne, Ontario, Genesee, Livingston and Wyoming counties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of the United Way are prepared in conformity with accounting principles generally accepted in the United States.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the United Way and Holding Company (collectively, the Organizations). All significant intercompany transactions and balances have been eliminated.

Financial Reporting

The revenue, expenses and net assets of the Organizations are reported in the following classifications:

- **Unrestricted**
  Unrestricted net assets include funds available for operating activities. In addition, they include net investment in property and equipment and other resources specifically designated by the respective governing Boards.

- **Temporarily Restricted**
  Temporarily restricted net assets include investments and other assets received with donor stipulations that limit their use, as well as unrestricted investment earnings on permanently restricted endowment funds not yet appropriated for expenditure by the Board. When a donor restriction expires or appropriation is made by the Board, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restriction.

- **Permanently Restricted**
  Permanently restricted net assets consist primarily of investments from endowments and beneficial interests in shared interest arrangements. These are subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity.

Cash and Cash Equivalents

The Organizations consider highly liquid investments, with a maturity of less than three months when purchased, to be cash equivalents. In addition, cash and cash equivalents include bank accounts and money market funds which, at times, may exceed federally insured limits. The Organizations have not experienced any losses in such accounts and believe they are not exposed to any significant credit risk with respect to cash and cash equivalents.

Government Grants Receivable and Revenue

The United Way received New York State government grants for the purpose of funding the Rochester Monroe Anti-Poverty Initiative. These amounts are recorded as revenue to the extent that expenses have been incurred for the program.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bequests Receivable

The United Way is the beneficiary under various wills and trust agreements, the total realizable value of which is not presently determinable. Amounts are recorded as bequests receivable when a will is declared valid by a probate court and the proceeds are measurable. Bequest receivables recorded were $302,008 and $407,081 at March 31, 2016 and 2015, respectively.

Investments

The United Way invests in various types of investment vehicles that are recorded at fair value in the accompanying consolidated financial statements. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Fair Value Measurement - Definition and Hierarchy

The United Way uses various valuation techniques in determining fair value. Generally accepted accounting principles establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the United Way. Unobservable inputs are inputs that reflect the United Way's assumptions about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the United Way has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation does not entail a significant degree of judgment.

- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are recorded at cost if purchased or the fair market value at the date of donation. The Organizations' policy is to capitalize all computer equipment and all other property and equipment purchases greater than $1,000 with a useful life greater than one year. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 3 to 15 years for equipment and furniture and 40 years for building and improvements. No depreciation expense is recognized in the year of acquisition for equipment and furniture. Depreciation is recognized in the first full month after acquisition for building and improvements.

Split-Interest Agreements

The United Way has recorded as contributions various types of split-interest agreements, including charitable remainder and perpetual trusts. With respect to charitable remainder trust agreements, the United Way has recorded the contributions as temporarily restricted revenue at the estimated fair value of the assets to be received based on the present value of the estimated future payments using a discount rate of 1.21% as of March 31, 2016, or, if the payout terms of the trust may be revised, their minimum interest in the fair value of the trust's assets.

Under the terms of perpetual trust arrangements, a donor establishes and funds a perpetual trust administered by an individual or organization other than the United Way. Under the terms of the trust, the United Way has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The United Way has recorded an asset at the estimated fair value of the United Way's beneficial interest in trust assets. Income earned on the trust assets is recorded as unrestricted revenue in the accompanying consolidated statement of activities unless otherwise restricted by the donor. Subsequent changes in fair value of the beneficial interest in the trust assets are recorded as a component of investment income in the permanently restricted net asset class.

Due to Agencies

The United Way allocates campaign pledges to agencies on a twelve-month cycle, which runs from August 1 to July 31 each year except for the Genesee Country United Way and the United Way of Wyoming County. The amount accrued represents the final four months of 2015 campaign pledges due to be paid to agencies as of the United Way's fiscal year-end. All donor designated pledges are paid in full to agencies by year-end. The Genesee Country United Way and the United Way of Wyoming County allocation cycles run from January 1 to December 31 and October 1 through September 1 and accrue 2015 campaign pledges due to be paid to agencies for the final nine-months and six-months, respectively.

Contributions

The United Way reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. Donor-restricted contributions whose restrictions are met in the same reporting period as the contributions are received are reported directly as unrestricted support.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Goods and Services

The United Way recognizes contributed goods and services as revenue and expense if such services meet the criteria for recognition under generally accepted accounting principles. Donated services totaled $52,718 and $447,740 in fiscal 2016 and 2015, respectively.

Donated services consist primarily of advertising services, including advertising time on television and radio stations, and advertisements placed in newspapers and legal services provided to the organization.

Donated goods totaled $31,127 and $17,224 in fiscal 2016 and 2015, respectively.

In addition to the previously described services, volunteers have donated significant amounts of time in support of the United Way's activities. These contributions have not been recorded as revenue and expense as they do not meet the criteria for recognition under generally accepted accounting principles.

Investment Gains, Losses and Income

Dividend, interest and other investment income are reported in the period earned as increases in unrestricted net assets, unless the use of income on such assets is explicitly limited by donor-imposed restrictions. Investment income earned on permanently restricted endowment gifts follows the donor's restrictions on the use of the related income (interest and dividends), and unrestricted income on permanent endowment funds is classified as temporarily restricted until appropriated for expenditure by the Board. Donor-restricted investment income is reported as an increase in temporarily restricted or permanently restricted net assets based on donor stipulation. Gains and investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the gains and income are recognized.

Advertising Costs

Advertising costs are charged to expense as incurred. Advertising costs other than donated services were $188,119 and $117,997 in 2016 and 2015, respectively.

Expenses

United Way records allocations to agencies as allocations expense in the period such allocations are approved by the Board of Directors and commitments are made to the recipient agencies. United Way has a policy of making allocation commitments in July for an allocation funding year of August 1 to July 31 except for Genesee Country United Way and the United Way of Wyoming County whose allocation funding cycles run from January 1 to December 31 and October 1 through September 1, respectively.

Charitable Gift Fund grants include grants recommended by donors to qualified organizations and approved for distribution from charitable gift funds.

The costs of providing various community investment and services, resource development and general management activities have been summarized on a functional basis in the statement of activities and change in net assets and are based on the percentage of salary dollars for the specific programs or activities to total salary expense. All other expenses are directly allocated to the program benefited by the expense.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses (Continued)
Community Investment and Services expenses are incurred for the following programs described in footnote 1: annual campaign allocations and designations, charitable gift fund grants, ROC the Day allocations, Rochester Monroe Anti-Poverty Initiative, labor and leadership development.

Resource Development expenses are incurred to secure financial resources obtained through the annual campaign and individual and planned giving.

General Management expenses include the functions of the offices of the president, finance, information technology, human resources and facilities. Specific activities include accounting, endowment investment management, pledge processing (local and national campaigns), facilities management, data security, information technology support and human resources management.

Cost Deduction
The United Way may assess fundraising and management and general fees in accordance with the United Way Worldwide membership requirements as outlined in United Way Worldwide's publication titled "United Way of America Cost Deduction Requirements for Standard M." The standard establishes a maximum fee amount a United Way may assess another United Way organization. The United Way of Greater Rochester follows the standard by charging the maximum fee allowed or less.

Income Taxes
The United Way and Holding Company are not-for-profit organizations and are exempt from income taxes as organizations qualified under Section 501(c)(3) of the Internal Revenue Code. The Organizations have also been classified by the Internal Revenue Service as entities that are not private foundations.

Comparative Information
The consolidated financial statements include certain prior year comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organizations' consolidated financial statements for the year ended March 31, 2015, from which the information was derived.

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

Reclassifications
Certain reclassifications have been made to the 2015 financial statements to conform with the current year presentation.

3. ANNUAL CAMPAIGN

The annual campaign is conducted to raise support for distribution to programs that are driven by demonstrated quality, customer focus and results.

Campaign results are as follows for the years ended March 31:

	2016	2015
Total amount raised	$ 24,545,854	$ 25,524,972
Less:		
State and federal campaign fundraising	(341,654)	(358,411)
Provision for doubtful pledges - current year	(868,157)	(832,683)
Perpetual gifts of investment income from bequests	(427,388)	(410,732)
Reversal of investment grants from advised funds	(1,291,847)	(1,104,364)
Amounts recorded in prior year	(6,566,239)	(8,029,158)
Add:		
Amounts recorded related to next year's campaign	7,100,629	6,689,895
Amount recorded in consolidated statement of activities	$ 22,151,198	$ 21,479,519

4. DUE TO RED CROSS

The United Way of Greater Rochester and the American Red Cross, Greater Rochester Chapter entered into an agreement effective January 28, 2013 to dissolve their fundraising partnership. As part of the understanding, they have agreed to a non-contingent, non-cancellable phased-down funding schedule. The final year begins in August 2016 with funding of $800,000.

An additional $311,300 and $355,946 are included in due to the Red Cross in fiscal 2016 and 2015, respectively, for the commitment through July 31 of each fiscal year, the end of the past campaign year. After July 2019, the American Red Cross' allocation will be determined through the allocations processes based on campaign results.

5. PLEDGES RECEIVABLE

At March 31, 2016 and 2015, contributors to the United Way had outstanding written unconditional promises to give in connection with annual campaigns as follows:

	2016	2015
2016 Campaign	$ 4,984,153	$ -
2015 Campaign	3,842,560	4,905,462
2014 Campaign	374,769	4,171,383
2013 Campaign and prior Campaigns	187,269	363,024
Less: Allowance for uncollectible pledges	(1,460,381)	(1,407,479)
	$ 7,928,370	$ 8,032,390

Most pledges lack due dates or are due within one year or less. Consequently, all pledges are recorded without any discount to present value. The United Way records an allowance for doubtful accounts in anticipation of future collection problems. The allowance for doubtful accounts is computed based on management estimates of current collectability and includes estimates of economic factors, which are applied to gross campaign pledges, including donor designations.

6. DONOR DIRECTED PLEDGES

Annual Campaign

As part of the annual campaign, United Way donors have the option of directing their pledges to various service areas, funded providers, and other eligible organizations as part of our annual campaign giving. Pledges directed to funded providers, which are in excess of the program allocation as determined by the United Way, are also remitted to the provider. Annual campaign revenue includes donor directed pledges as follows for the years ended March 31:

	2016	2015
Donor directed pledges - funded providers	$ 1,345,854	$ 1,354,387
Donor directed pledges - funded providers in excess of program allocations	281,300	152,557
Donor directed pledges - other eligible organizations	5,457,027	5,533,354
	$ 7,084,181	$ 7,040,298

Donor directed pledges made through United Way of Greater Rochester's annual campaign are subject to the United Way's policy, which provides that the United Way can unilaterally redirect the funds otherwise designated by the donor should the United Way determine the designation is contrary to the goals and strategies of the United Way.

ROC the Day

As part of the ROC the Day event, United Way donors have the option of designating their donations to local not-for-profit organizations approved for participation in the event. Designations to ROC the Day, excluding sponsorships, were $696,612 and $608,897 as of March 31, 2016 and 2015 respectively.

7. INVESTMENTS

Investments consisted of the following at March 31:

	2016	2015
Mutual funds and pooled funds:		
Domestic equity mutual funds	$ 36,788,369	$ 38,161,328
International equity mutual and pooled funds	32,246,457	35,888,471
Fixed income mutual and pooled funds	17,654,208	17,816,679
Balanced mutual funds	6,465,633	6,218,745
Flexible capital	10,973,677	12,763,002
Private equity	283,503	329,957
Inflation risk management:		
Real estate	7,151,371	6,798,947
Commodities	2,099,215	2,634,707
Treasury inflation protected securities	3,605,876	3,552,311
Natural resources	2,670,752	3,624,853
Fixed income:		
U.S. government obligations	154,070	114,402
Corporate bonds	85,752	90,797
Common stocks	281,593	160,504
Temporary investments	1,267,478	2,205,673
	$ 121,727,954	$ 130,360,376

For the years ended March 31, 2016 and 2015, the total amount of investment income, including amounts appropriated under and used in operations in accordance with the United Way's total return spending policy, are as follows:

	2016	2015
Interest and dividends	$ 2,170,541	$ 2,540,166
Realized and unrealized gain (loss), net	(5,808,559)	3,122,558
Fees	(499,990)	(572,683)
Gain(loss) on split interest agreements	(273,796)	(18,817)
	$ (4,411,804)	$ 5,071,224

8. SPLIT-INTEREST AGREEMENTS

Assets related to split-interest agreements, valued at fair value, consisted of the following at March 31:

	2016	2015
Perpetual trusts	$ 3,238,255	$ 3,555,258
Pooled life income fund	256,120	268,833
Charitable remainder trusts	275,370	303,639
Life insurance	126,953	36,560
UWW Charitable Gift Annuity	18,348	-
	$ 3,915,046	$ 4,164,290

8. SPLIT-INTEREST AGREEMENTS (Continued)

In conjunction with their pooled life income fund, the United Way has recorded a liability related to funds held for others in the amount of $100,002 and $104,966, respectively, at March 31, 2016 and 2015.

In addition, included in the United Way's investments are certain assets given under the term of charitable gift annuities for which United Way is the trustee. Liabilities related to these agreements were $248,242 and $259,755, respectively, at March 31, 2016 and 2015. Liabilities are recorded equal to the estimated present value of payments that the United Way is required to make to specified beneficiaries under the terms of these agreements.

The change in value of split-interest agreements was ($273,796) and ($18,817) for the years ended March 31, 2016 and 2015, respectively, and is included in "Investment gain (loss)" in the accompanying consolidated statement of activities and change in net assets.

9. FAIR VALUE MEASUREMENTS

General

Fair value of the United Way's domestic equity mutual funds, international equity mutual funds, fixed income mutual funds and balanced mutual funds, U.S. government obligations and common stocks is determined based on quoted market prices. The fair value of all of the United Way's international equity pooled funds and fixed income pooled funds are stated at fair market value utilizing net asset value (NAV) provided by the underlying fund managers as a practical expedient for determining fair value of the investment. All of the United Way's corporate bonds are determined by entering standard inputs into a pricing model. These inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads and industry and economic events.

Split-Interest Agreements

The fair value of the United Way's split-interest agreements is determined on a recurring basis by estimating the present value of future cash flows, which incorporates an estimate of an annual rate of return on trust assets, life expectancy and discount rate. Trust assets held in split-interest agreements include publicly traded equity securities and corporate and U.S. government bonds.

Flexible Capital Funds

The United Way utilized the NAV reported by each of the flexible capital funds as a practical expedient for determining fair value of the investment. These investments are redeemable at NAV under the original terms of the subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by these funds, changes in market conditions and the economic environment may significantly impact the NAV of the funds and, consequently, the fair value of the United Way's interest in the funds. Furthermore, changes to the liquidity provisions of the funds may significantly impact the fair value of the United Way's interest in the funds.

9. FAIR VALUE MEASUREMENTS (Continued)

The United Way's flexible capital fund strategies are described as follows:

Archstone Offshore Fund, Ltd.
The United Way had an investment in this fund of $5,606,979 and $6,150,197 at March 31, 2016 and 2015, respectively. The fund was formed primarily with the purpose of achieving long-term growth of capital with reduced volatility by allocating its capital among various money managers that, as a group, employ a variety of investment techniques and strategies. The fund is a multi-manager, multi-strategy fund of funds formed to invest predominantly in limited partnerships and similar pooled investment vehicles. After an initial one year lock-up period that ended April 30, 2010, the fund allows quarterly redemption with a 90 day redemption notice period. As of March 31, 2016 and 2015, there were no unfunded commitments associated with this investment.

Weatherlow Offshore Fund I, Ltd.
The United Way had an investment in this fund of $5,366,698 and $6,612,805 at March 31, 2016 and 2015, respectively. The fund was formed primarily with the purpose of achieving long-term growth of capital with reduced volatility by allocating its capital among various money managers that, as a group, employ a variety of investment techniques and strategies. The fund is a multi-manager, multi-strategy fund of funds formed to invest predominantly in limited partnerships and similar pooled investment vehicles. After a three year lock-up period, which ended June 1, 2013, the fund allows quarterly redemption with a 65 day redemption notice period. As of March 31, 2016 and 2015, there were no unfunded commitments associated with this investment.

Private Equity
The United Way invested in a private equity partnership with Gilbert Global Equity Partners, L.P. in March 1999. This is an illiquid partnership which is nearing the end of its term.

Inflation Risk Management Securities
United Way's inflation risk management strategies consist of a real estate investment trust pooled fund, a commodities pooled fund, a Treasury Inflation Protected Security (TIPS) mutual fund and natural resource mutual fund. The mutual funds are daily priced mutual funds.

The fair value of the United Way's investment in real estate valued using level 2 inputs was $7,151,371 and $6,798,947 at March 31, 2016 and 2015, respectively. The underlying securities are real estate investment trusts (REITs), which are publicly traded with a daily quoted market price. The fair value of the United Way's investment in the commodities pooled fund valued using level 2 inputs was $2,099,215 and $2,634,707 at March 31, 2016 and 2015, respectively. The underlying securities are commodities, publicly traded with a daily quoted market price. Fair value of both of these pooled fund investments are determined utilizing the current net asset value (NAV), derived from the value of the underlying investments input into an industry standard valuation model.

Temporary investments consist of cash included in the investment portfolio expected to be reinvested.

9. FAIR VALUE MEASUREMENTS (Continued)

The United Way's investments and split-interest agreements are classified in the following fair value hierarchy at March 31, 2016:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Investments				
Mutual funds:				
Domestic equity mutual funds	$ 36,788,369	$ -	$ -	$ 36,788,369
International equity mutual funds	8,096,702	-	-	8,096,702
Fixed income mutual funds	10,180,371	-	-	10,180,371
Balanced mutual funds	6,465,633	-	-	6,465,633
Pooled funds:				
International equity pooled funds	-	24,149,755	-	24,149,755
Fixed income pooled funds	-	7,473,837	-	7,473,837
Flexible capital:				
Archstone Offshore Fund Ltd.	-	5,606,979	-	5,606,979
Weatherlow Offshore Fund I, LTD Class IIA	-	5,366,698	-	5,366,698
Private equity	-	-	283,503	283,503
Inflation risk management:				
Real estate	-	7,151,371	-	7,151,371
Commodities	-	2,099,215	-	2,099,215
Treasury inflation protected securities	3,605,876	-	-	3,605,876
Natural resources	2,670,752	-	-	2,670,752
Fixed income:				
U.S. government obligations	154,070	-	-	154,070
Corporate bonds	-	85,752	-	85,752
Common stocks	281,593	-	-	281,593
Total investments	$ 68,243,366	$ 51,933,607	$ 283,503	$ 120,460,476
Split-interest agreements				
Pooled life income fund	$ 256,120	$ -	$ -	$ 256,120
Other split-interest agreements	-	3,658,926	-	3,658,926
Total split-interest agreements	$ 256,120	$ 3,658,926	$ -	$ 3,915,046

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The United Way's investments and split-interest agreements are classified in the following fair value hierarchy at March 31, 2015:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Investments				
Mutual funds:				
Domestic equity mutual funds	$ 38,161,328	$ -	$ -	$ 38,161,328
International equity mutual funds	8,759,930	-	-	8,759,930
Fixed income mutual funds	10,620,918	-	-	10,620,918
Balanced mutual funds	6,218,745	-	-	6,218,745
Pooled funds:				
International equity pooled funds	-	27,128,541	-	27,128,541
Fixed income pooled funds	-	7,195,761	-	7,195,761
Flexible capital:				
Archstone Offshore Fund Ltd.	-	6,150,197	-	6,150,197
Weatherlow Offshore Fund I, LTD Class IIA	-	6,612,805	-	6,612,805
Private equity	-	-	329,957	329,957
Inflation risk management:				
Real estate	-	6,798,947	-	6,798,947
Commodities	-	2,634,707	-	2,634,707
Treasury inflation protected securities	3,552,311	-	-	3,552,311
Natural resources	3,624,853	-	-	3,624,853
Fixed income:				
U.S. government obligations	114,402	-	-	114,402
Corporate bonds	-	90,797	-	90,797
Common stocks	160,504	-	-	160,504
Total investments	$ 71,212,991	$ 56,611,755	$ 329,957	$ 128,154,703
Split-interest agreements				
Pooled life income fund	$ 268,833	$ -	$ -	$ 268,833
Split-interest agreements	-	3,895,457	-	3,895,457
Total split-interest agreements	$ 268,833	$ 3,895,457	$ -	$ 4,164,290

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The following is a reconciliation of the beginning and ending balances for the United Way's flexible capital investments, which are measured at fair value using significant unobservable inputs (Level 3):

	Private Equity
Balance at April 1, 2015	$ 264,156
Unrealized gains	65,801
Balance at March 31, 2015	329,957
Unrealized gains	28,915
Sales of investments	(75,369)
Balance at March 31, 2016	$ 283,503

The unrealized gains included in the change in net assets relating to financial instruments still held at the reporting date were $28,915 and $65,801, respectively, for level 3 alternative investments, for the years ended March 31, 2016 and 2015.

10. CHARITABLE GIFT FUNDS

At March 31, 2016 and 2015, the Organizations held investments of approximately $10.8 million and $10.1 million, respectively, as part of the United Way's Charitable Gift Fund program. These amounts represent unrestricted contributions received by the United Way. However, the donors may make non-binding recommendations to the United Way as to the timing, amount and recipient of distributions from these funds, including the distribution of fund principal.

11. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31:

	2016	2015
Land	$ 228,000	$ 228,000
Building and improvements	2,867,517	2,864,207
Equipment	275,950	273,999
Furniture and fixtures	79,641	68,162
Computer equipment	398,463	387,248
	3,849,571	3,821,616
Less: Accumulated depreciation	(1,959,285)	(1,877,433)
	$ 1,890,286	$ 1,944,183

12. PENSION AND OTHER POSTRETIREMENT BENEFITS

Pension Plan

The United Way maintains a noncontributory defined benefit pension plan that provides retirement, disability and death benefits and covers individuals who were employees of the United Way of Greater Rochester, Inc. and United Way Services Corporation (collectively, the Organizations) prior to January 1, 2007. The Plan was frozen by United Way of Greater Rochester, Inc.'s Board of Directors as of January 1, 2007 at which time it was replaced by a 403(b) plan. The United Way's funding policy is to contribute annually an amount that meets the minimum funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

Measurement Dates

The measurement date for the year-end benefit obligations and assets is March 31 for the fiscal years ended March 31, 2016 and 2015.

Funded Status

Obligations and funded status of the plan are as follows:

	2016	2015
Projected benefit obligation	$ (14,449,364)	$ (15,046,996)
Fair value of plan assets at end of year	9,910,191	10,832,332
Funded status	$ (4,539,173)	$ (4,214,664)
Accumulated benefit obligation	$ (14,449,364)	$ (15,046,996)
Employer contributions	$ -	$ -
Benefit payments	$ (685,712)	$ (635,085)

Financial Statement Recognition

As of March 31, the following amounts were recognized in the consolidated balance sheet:

	2016	2015
As a non-current liability	$ (4,539,173)	$ (4,214,664)

Amounts recognized in the consolidated statements of activities and changes in net assets as of March 31 consist of:

	2016	2015
Net periodic cost	$ 663,846	$ 231,668

12. PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

As of March 31, 2016, the following items included in net assets had not yet been recognized as components of benefits expense:

	Net Actuarial Loss
Unrecognized amounts at March 31, 2016	$ 6,907,990
Expected amortization of unrecognized items in next year's expense	$ 854,938

For the year ended March 31, 2016, the United Way recognized $872,740 related to the amortization of its net actuarial loss in the consolidated statement of activities and change in net assets.

Assumptions

Weighted average assumptions used to determine benefit obligations at March 31, are as follows:

	2016	2015
Discount rate	3.54%	3.50%
Average annual increase in compensation	N/A	N/A
Expected long-term rate of return on plan assets	7.50%	7.50%

The expected long-term rate of return on plan assets was developed by considering historical plan performance, current asset allocation and forecasts of future returns.

As of March 31, 2015, United Way adopted the RP-2014 Mortality Table for the actuarial calculation of Plan obligations. Previously, mortality assumptions had been based on the RP-2000 Mortality Tables.

Plan Assets

The United Way's pension plan weighted average asset allocations at March 31, 2016 and 2015, by asset category, were as follows:

	2016	2015	Target
Equity securities	37%	37%	36%
Fixed income securities	30%	30%	30%
International securities	23%	23%	24%
Real estate	10%	10%	10%
	100%	100%	100%

12. PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

The fair values of the pension plan assets at March 31, 2016 are as follows:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Cash and equivalents	$ 63,813	$ -	$ -	$ 63,813
Vanguard Total Bond Market Index Fund	2,349,103	-	-	2,349,103
Vanguard Inflation - Protected Securities Fund	592,359	-	-	592,359
Vanguard Total Stock Market Index Fund	3,604,293	-	-	3,604,293
Vanguard REIT Index Fund	1,000,703	-	-	1,000,703
Vanguard Total International Stock Index	2,299,920	-	-	2,299,920
	$ 9,910,191	$ -	$ -	$ 9,910,191

The fair values of the pension plan assets at March 31, 2015 are as follows:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Cash and equivalents	$ 59,055	$ -	$ -	$ 59,055
Vanguard Total Bond Market Index Fund	2,606,904	-	-	2,606,904
Vanguard Inflation - Protected Securities Fund	634,808	-	-	634,808
Vanguard Total Stock Market Index Fund	3,964,876	-	-	3,964,876
Vanguard REIT Index Fund	1,057,831	-	-	1,057,831
Vanguard Total International Stock Index	2,508,858	-	-	2,508,858
	$ 10,832,332	$ -	$ -	$ 10,832,332

Contributions

The United Way expects to contribute $0 to the Plan in calendar year 2016 which will be in compliance with the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

Estimated Future Benefit Payments

Benefit payments are expected to be paid as follows:

2017	$ 724,242
2018	$ 735,666
2019	$ 752,114
2020	$ 788,053
2021	$ 791,785
2022 – 2026	$ 4,149,159

12. PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

Other Postretirement Benefits Plan

The United Way provides health care for employees who retire from United Way and have attained age 55 with 10 years of service. The United Way's policy is to contribute amounts to this plan on an annual basis as needed for current benefit payments. The plan was amended in January 2015 to increase the maximum amount contributed for health insurance benefits for post-65 retirees from $80 to $85 per month including participating in other medical plans. The formula for early retirees has been changed and provides the same benefit for the retiree as if they were an active employee.

For employees who retired prior to July 2014, a life insurance benefit of one quarter of their final salary is also provided.

The measurement date for the year-end benefit obligations and assets is March 31 for the fiscal years ended March 31, 2016 and 2015.

The following table sets forth the Plan's funded status and expense recognized in the United Way's consolidated financial statements as of and for the years ended March 31, 2016 and 2015 based on actuarial reports.

	2016	2015
Accumulated postretirement benefit obligation	$ (1,863,240)	$ (1,826,772)
Market value of plan assets	-	-
Funded status	$ (1,863,240)	$ (1,826,772)
Net periodic postretirement benefit expense	$ 182,918	$ 103,385
Employer contributions	$ 32,180	$ 30,930
Benefits paid	$ 70,967	$ 70,364

As of March 31, the following amounts were recognized in the consolidated balance sheet:

	2016	2015
As a liability	$ (1,863,240)	$ (1,826,772)
Amounts unamortized in other change in net assets at March 31:		
Actuarial gain recognition	$ 487,871	$ 724,848
Prior service costs	$ (15,809)	$ (138,516)
Amounts expected to be amortized in other change in net assets in the coming year:		
Actuarial gain (loss) recognition	$ (59,449)	$ -
Prior service costs	$ 27,429	$ (8,672)

12. PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

Other Postretirement Benefits Plan (Continued)

The significant actuarial assumptions on which the actuarial valuations were based are:

	2016	2015
Discount rate	3.39%	3.37%
Medical care cost trend rate - Pre 65	7.75%	8.00%
Medical care cost trend rate - Post 65	6.00%	6.00%
Rate of future salary increases	3.00%	3.00%

The medical care cost trend rate used in the actuarial computation for 2016 gradually reduces to approximately 4.0% in fiscal 2076 and subsequent years.

Other Postretirement Benefits Plan
It was determined that the effect of a one percentage point change in the assumed rates would not materially increase or decrease the accrued postretirement benefit cost and postretirement benefit expense.

The United Way did not seek the 28% Retiree Drug Subsidy offered by Medicare Part D effective January 1, 2006. Therefore, the actuary did not recognize the impact of the Medicare Prescription Drug Improvement and Modernization Act of 2003 on the Plan's accumulated benefit obligation or periodic pension cost.

In general, the United Way intends to fund the postretirement plan on a pay as incurred basis. The following table of benefit payments are expected to be paid:

2017	$ 87,594
2018	$ 73,633
2019	$ 95,189
2020	$ 115,540
2021	$ 143,017
2022 - 2027	$ 904,020

13. RETIREMENT PLAN

The United Way sponsors a retirement plan qualified under Section 403(b) of the Internal Revenue Code. All employees of the United Way may elect to contribute a percentage of their compensation subject to limitations imposed by the Internal Revenue Service. For qualifying employees, the United Way makes contributions to the plan. The United Way recognized $322,516 and $320,348 of expense related to the Plan in 2016 and 2015, respectively.

The United Way also has plans qualified under Section 457 of the Internal Revenue Code for highly compensated employees. The United Way recognized $36,901 and $140,066 of expense related to these Plans in 2016 and 2015, respectively.

14. LINE-OF-CREDIT

The United Way has an annually renewable line-of-credit agreement with J.P. Morgan Chase Bank allowing maximum borrowings of $1,500,000. Amounts borrowed are unsecured and bear interest at the greater of the prime rate or the Adjusted One Month LIBOR Rate plus 2.5% (the LIBOR rate was 0.43725% at March 31, 2016). There were no amounts outstanding under this agreement at March 31, 2016 and 2015.

There was no interest paid on the line-of-credit in 2016 or 2015.

15. NET ASSETS

Temporarily restricted net assets are expendable as follows at March 31:

	2016	2015
Endowment:		
Time restricted - for use as part of a future year annual campaign	379,975	527,674
Time restricted - living endowment arrangements	13,942	14,734
Time restricted - to be used for agency capital projects	1,243,732	1,342,373
Accumulated unappropriated earnings on permanently restricted endowment funds	24,967,953	29,471,624
Program restrictions	707,516	769,052
Total temporarily restricted endowment net assets	27,313,118	32,125,457
Time restricted - for use as part of a future year annual campaign	7,099,666	6,688,486
Time restricted - charitable remainder trust arrangements	275,370	303,639
Program restrictions	183,655	193,432
	$ 34,871,809	$ 39,311,014

Temporarily restricted net assets were released as follows at March 31:

	2016	2015
Program restriction:		
For allocations to United Way agencies	$ 54,829	$ 43,627
Other programs	122,537	90,512
	$ 177,366	$ 134,139
Appropriation in accordance with United Way's total return spending policy	$ 2,248,934	$ 2,318,571
Time restriction:		
For use as part of the current year annual campaign	$ 6,978,591	$ 8,586,046

15. NET ASSETS (Continued)

The earnings from the following permanently restricted net assets are expendable as follows at March 31:

	2016	2015
Accumulated for appropriation by the Board of Directors of the United Way	$ 27,361,682	$ 27,203,759
Future year campaign pledges	5,148,588	5,140,095
George L. & Elizabeth C. Todd Permanent Trust	944,605	944,605
	$ 33,454,875	$ 33,288,459

16. ENDOWMENT

The United Way's endowment consists of numerous individual funds established over time for a variety of purposes. Its endowment includes both permanently restricted gifts and funds designated by the Board of Directors to function as quasi-endowments. The United Way's endowment was as follows for the years ended March 31:

	2016	2015
Permanently restricted	$ 33,454,875	$ 33,288,459
Temporarily restricted	$ 27,313,118	$ 32,125,457
Quasi-endowment	$ 51,540,848	$ 56,233,440

Changes in the quasi-endowment net assets for the years ended March 31 were as follows:

	2016	2015
Quasi-endowment, beginning of year	$ 56,233,440	$ 56,912,948
New board designations	50,829	280,105
Appropriation in accordance with United Way's total return spending policy	(2,457,140)	(2,560,429)
Other appropriations	(393,374)	(963,220)
Investment return:		
Gain (loss) on investments	(2,602,027)	821,626
Interest income	709,120	1,742,410
Quasi-endowment, end of year	$ 51,540,848	$ 56,233,440

In July 2013, the Board of Directors updated the reserve fund policy to enable United Way of Greater Rochester to respond to unexpected programmatic and operational events and to initiate operational initiatives. The fund was established at a level approximately equal to three months of operating expense and Monroe County program funding and is recalculated and adjusted accordingly on an annual basis in October. The amount is approximately $5,000,000.

16. ENDOWMENT (Continued)

Changes in the temporarily restricted endowment net assets for the year ended March 31 were as follows:

	2016	2015
Temporarily restricted, beginning of year	$ 32,125,457	$ 32,858,864
Appropriation in accordance with United Way's total return spending policy	(2,248,934)	(2,318,571)
Release of donor imposed restrictions	(441,236)	(402,861)
Investment return:		
Gain (loss) on investments	(2,365,519)	1,397,731
Interest income	243,350	590,294
Temporarily restricted, end of year	$ 27,313,118	$ 32,125,457

Changes in the permanently restricted endowment net assets and charitable remainder trust for the year ended March 31 were as follows:

	2016	2015
Permanently restricted, beginning of year	$ 33,288,459	$ 33,164,201
Contributions and other revenue	520,020	44,552
Investment return:		
Gain (loss) on investments	(369,817)	52,210
Interest income	16,213	27,496
Permanently restricted, end of year	$ 33,454,875	$ 33,288,459

Funds with Deficiencies
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the United Way to retain as a fund of perpetual duration. There were no such deficiencies as of March 31, 2016 and 2015.

Return Objectives and Risk Parameters
The United Way has adopted investment and spending policies for endowment assets to attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under the investment policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is net of fees intended to exceed the price and yield results of the spending policy plus the rate of inflation as measured by the Consumer Price Index (over the long term) within a reasonable level of volatility.

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

16. ENDOWMENT (Continued)

Spending Policy and Related Investment Objectives

The United Way has adopted a total return spending policy, under which it appropriates a percentage of the average market value of investments at the end of the previous five years to help support its annual operating expenses. In 2007, the Board decided to reduce the spending formula from 5.5% to 5% of the trailing five year average market value.

The United Way has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on permanently restricted endowment gifts, beyond the original gift amount, follows the donor's restriction on the use of the related income (interest and dividends), and income is classified as temporarily restricted until appropriated by the Board for expenditure.

New York State law allows the Board of Directors to expend net appreciation of endowment investments and in certain circumstances the principal of the gift. The Board of Directors must consider the long and short-term needs of the United Way in carrying out its purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends and general economic conditions when determining the amount to expend. The United Way believes that its total return spending policy meets New York State requirements.

17. BOARD DESIGNATED NET ASSETS

Net assets are designated for the following purposes at March 31, 2016. The Board of Directors has designated the following amounts to meet anticipated program expansion and future needs.

	Balance - Beginning of Year	Designated by Board	Uses	Transfers To Undesignated Funds	Balance - End of Year
Emergency Assistance	$ 3,413	$ -	$ -	$ -	$ 3,413
Berman Fund	157,857	-	(23,487)	-	134,370
Wayne County	731,041	682,661	(693,339)	-	720,363
Ontario County	625,872	1,348,466	(1,284,459)	-	689,879
Livingston County	102,610	347,836	(342,203)	-	108,243
Genesee County	121,282	426,363	(389,820)	-	157,825
Wyoming County	124,002	128,877	(158,053)	-	94,826
Hardware/Software acquisition	72,596	67,473	(58,787)	-	81,282
Synergy Fund	370,604	-	(232,345)	-	138,259
Blueprint Fund	191,401	-	(84,450)	-	106,951
Reserve Fund	591,537	-	(100,495)	-	491,042
Board Recognition Fund	10,966	9,306	(12,032)	-	8,240
Board Operating Surplus	80,000	404,643	(80,000)	-	404,643
UWSC Post Retirement Reserve Fund	23,936	-	(54)	-	23,882
UWGR Holding Co. Capital Reserve Fund	119,862	83,250	(15,922)	-	187,190
	$ 3,326,979	$ 3,498,875	$ (3,475,446)	$ -	$ 3,350,408

18. RELATED PARTY

The United Way is related to United Way Services Corporation (UWSC) through certain common members of management and common board representation. The United Way provides management consulting and support services relating to internal financial controls, computer services and operational functions to UWSC. Reimbursement for such services was $44,698 and $45,358 in 2016 and 2015, respectively. In addition, UWSC provides services to the United Way's marketing department. Payment for such services was $23,669 and $24,283 in 2016 and 2015, respectively.

In July 2008, the Children's Success Fund, LLC, a single-member LLC, was formed for the purpose of operating the Wegmans LPGA Championship golf tournament. UWSC is the sole corporate member of the Children's Success Fund. Actual proceeds were $1,000,000 for the year ended March 31, 2015. The final Wegmans LPGA Championship golf tournament was in August 2014.

19. COMMITMENTS AND CONTINGENCIES

Future Lease Payments

The United Way leases office space and office equipment under the terms of operating lease agreements. Rental expense for fiscal 2016 and 2015 was approximately $172,000 and $169,000, respectively. Minimum payments under these lease agreements are as follows for the years ending March 31:

2017	$ 161,789
2018	42,359
2019	39,634
2020 & thereafter	58,530
	$ 302,312

20. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 1, 2016, which is the date the consolidated financial statements were available to be issued.

Exhibit I

UNITED WAY OF GREATER ROCHESTER, INC. AND UWGR HOLDING COMPANY, INC.

CONSOLIDATING BALANCE SHEETS
MARCH 31, 2016
(With Comparative Totals for 2015)

	2016				
	United Way of Greater Rochester, Inc.	UWGR Holding Company, Inc.	Eliminations	Consolidated	2015 Consolidated
ASSETS					
Cash and cash equivalents	$ 6,279,041	$ 139,128	$ -	$ 6,418,169	$ 8,132,570
Pledges receivable, net	7,928,370	-	-	7,928,370	8,032,390
Government grants receivable	500,000	-	-	500,000	-
Rent receivable - affiliate	-	65,192	(65,192)	-	-
Bequests receivable	302,008	-	-	302,008	407,081
Investments	121,727,954	-	-	121,727,954	130,360,376
Property and equipment, net	164,705	1,725,581	-	1,890,286	1,944,183
Beneficial interest in split-interest agreements	3,915,046	-	-	3,915,046	4,164,290
Other assets	109,701	12,177	-	121,878	391,127
	$ 140,926,825	$ 1,942,078	$ (65,192)	$ 142,803,711	$ 153,432,017
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts payable and accrued expenses	$ 1,245,718	$ 25,305	$ -	$ 1,271,023	$ 1,827,893
Due to agencies	5,895,988	-	-	5,895,988	7,154,035
Due to Red Cross	1,111,310	-	-	1,111,310	2,089,846
Rent payable - affiliate	65,192	-	(65,192)	-	-
Charitable gift annuity reserve	248,242	-	-	248,242	259,755
Funds held for others	100,002	-	-	100,002	104,966
Pension and postretirement plan liability	6,402,413	-	-	6,402,413	6,041,436
Total liabilities	15,068,865	25,305	(65,192)	15,028,978	17,477,931
NET ASSETS:					
Unrestricted -					
Board designated	3,163,218	187,190	-	3,350,408	3,326,979
Undesignated	2,827,210	1,729,583	-	4,556,793	3,794,194
Quasi-endowment	51,540,848	-	-	51,540,848	56,233,440
Total unrestricted	57,531,276	1,916,773	-	59,448,049	63,354,613
Temporarily restricted	34,871,809	-	-	34,871,809	39,311,014
Permanently restricted	33,454,875	-	-	33,454,875	33,288,459
Total net assets	125,857,960	1,916,773	-	127,774,733	135,954,086
	$ 140,926,825	$ 1,942,078	$ (65,192)	$ 142,803,711	$ 153,432,017

The accompanying notes are an integral part of these exhibits.

UNITED WAY OF GREATER ROCHESTER, INC. AND UWGR HOLDING COMPANY, INC.

CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2016
(With Comparative Totals for 2015)

	2016							
	Unrestricted				Temporarily Restricted	Permanently Restricted		
	United Way of Greater Rochester, Inc.	UWGR Holding Company, Inc.	Eliminations	Total	United Way of Greater Rochester, Inc.	United Way of Greater Rochester, Inc.	Consolidated	2015 Consolidated
REVENUE, GAINS AND OTHER SUPPORT:								
Annual campaign, net	$ 16,787,702	$ -	$ -	$ 16,787,702	$ 7,100,628	$ -	$ 23,888,330	$ 23,106,143
Less: Received as agent for other United Ways	(868,975)	-	-	(868,975)	-	-	(868,975)	(793,941)
Less: Allowance for uncollectible pledges	(867,195)	-	-	(867,195)	(962)	-	(868,157)	(832,683)
Annual campaign, net	15,051,532	-	-	15,051,532	7,099,666	-	22,151,198	21,479,519
Investment income used in operations in accordance with the United Way's total return spending policy	4,706,074	-	-	4,706,074	-	-	4,706,074	4,879,000
Charitable gift fund gifts received	4,808,613		-	4,808,613	-	-	4,808,613	2,273,503
Donated goods and services	83,779	194,200	(194,200)	83,779	-	-	83,779	464,865
ROC the Day revenue, net	709,037	-	-	709,037	-	-	709,037	676,319
Endowment legacies and other gifts received, net	136,763	-	-	136,763	-	407,888	544,651	314,471
Government grant revenue	500,000	-	-	500,000	-	-	500,000	-
Other	471,512	265,853	(182,866)	554,499	16,458	-	570,957	1,671,513
	26,467,310	460,053	(377,066)	26,550,297	7,116,124	407,888	34,074,309	31,759,190
Net assets released from restrictions -								
Satisfaction of program restrictions	177,366	-	-	177,366	(177,366)		-	-
Appropriation of endowment assets for expenditure	2,248,934	-	-	2,248,934	(2,248,934)	-	-	-
Expiration of time restrictions	6,978,591	-	-	6,978,591	(6,978,591)	-	-	-
	9,404,891	-	-	9,404,891	(9,404,891)	-	-	-
Total revenue, gains and other support	35,872,201	460,053	(377,066)	35,955,188	(2,288,767)	407,888	34,074,309	31,759,190
EXPENSES:								
Program services -								
Allocations	24,143,837	229	-	24,144,066	-	-	24,144,066	25,275,479
Community investment and services	3,724,625	163,698	(140,508)	3,747,815	-	-	3,747,815	3,187,247
Total program services	27,868,462	163,927	(140,508)	27,891,881	-	-	27,891,881	28,462,726
Supporting services -								
Resource development	3,434,138	160,376	(114,958)	3,479,556	-	-	3,479,556	3,423,839
General management	2,179,622	169,409	(121,600)	2,227,431	-	-	2,227,431	1,983,681
Total supporting services	5,613,760	329,785	(236,558)	5,706,987	-	-	5,706,987	5,407,520
Total expenses	33,482,222	493,712	(377,066)	33,598,868	-	-	33,598,868	33,870,246
EXCESS (DEFICIENCY) OF REVENUE, GAINS AND OTHER SUPPORT OVER EXPENSES	2,389,979	(33,659)	-	2,356,320	(2,288,767)	407,888	475,441	(2,111,056)
OTHER ITEMS:								
Investment gain (loss)	(2,019,894)	-	-	(2,019,894)	(2,150,438)	(241,472)	(4,411,804)	5,071,224
Investment income used in operations in accordance with the United Way's total return spending policy	(4,706,074)	-	-	(4,706,074)	-	-	(4,706,074)	(4,879,000)
Change in funded status of pension and postretirement plans	463,084	-	-	463,084	-	-	463,084	(3,114,479)
CHANGE IN NET ASSETS	(3,872,905)	(33,659)	-	(3,906,564)	(4,439,205)	166,416	(8,179,353)	(5,033,311)
NET ASSETS - beginning of year	61,404,181	1,950,432	-	63,354,613	39,311,014	33,288,459	135,954,086	140,987,397
NET ASSETS - end of year	$ 57,531,276	$ 1,916,773	$ -	$ 59,448,049	$ 34,871,809	$ 33,454,875	$ 127,774,733	$ 135,954,086

The accompanying notes are an integral part of these exhibits.

Exhibit III

UNITED WAY OF GREATER ROCHESTER, INC. AND UWGR HOLDING COMPANY, INC.

CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016
(With Comparative Totals for 2015)

	2016				
	United Way of Greater Rochester, Inc.	UWGR Holding Company, Inc.	Eliminations	Consolidated	2015 Consolidated
CASH FLOW FROM OPERATING ACTIVITIES:					
Change in net assets	$ (8,145,694)	$ (33,659)	$ -	$ (8,179,353)	$ (5,033,311)
Adjustments to reconcile change in net assets to net cash flow from operating activities:					
Net realized and unrealized (gain) loss on investments	5,808,559	-	-	5,808,559	(3,122,558)
Sale proceeds of donated financial assets	1,889,390			1,889,390	1,697,445
Depreciation	29,960	109,009	-	138,969	146,857
(Gain) loss on disposal of property and equipment	(2,183)	7,901	-	5,718	16,851
Permanently restricted legacies and gifts	(407,888)	-	-	(407,888)	(44,552)
Change in funded status of pension and postretirement liability	(463,084)	-	-	(463,084)	3,114,479
Provision for uncollectible pledges	868,157	-	-	868,157	832,683
Changes in:				-	
Pledges receivable	(764,137)	-	-	(764,137)	572,860
Government grants receivable	(500,000)			(500,000)	
Interest and dividends receivable and other assets	265,752	3,497	-	269,249	(245,133)
Rent receivable - affiliate	-	17,890	(17,890)	-	-
Bequests receivable	105,073	-	-	105,073	144,105
Accounts payable and accrued expenses	(556,083)	(787)	-	(556,870)	470,241
Due to agencies	(1,258,047)	-	-	(1,258,047)	882,879
Due to Red Cross	(978,536)	-	-	(978,536)	(1,112,428)
Rent payable - affiliate	(17,890)	-	17,890	-	-
Funds held for others	(4,964)	-	-	(4,964)	2,776
Pension and plan postretirement liability	824,061	-	-	824,061	137,677
Net cash flow from operating activities	(3,307,554)	103,851	-	(3,203,703)	(1,539,129)
CASH FLOW FROM INVESTING ACTIVITIES:					
Purchases of property and equipment	(74,868)	(15,922)	-	(90,790)	(163,628)
Purchases of investments	(6,727,868)	-	-	(6,727,868)	(19,546,947)
Sales of investments	7,662,341	-	-	7,662,341	21,379,196
Changes in beneficial interest in split-interest arrangements	236,531	-	-	236,531	22,338
Net cash flow from investing activities	1,096,136	(15,922)	-	1,080,214	1,690,959
CASH FLOW FROM FINANCING ACTIVITIES:					
Permanently restricted legacies and gifts	407,888	-	-	407,888	44,552
Decrease in charitable gift annuity reserve	(11,513)	-	-	(11,513)	(22,165)
Change in pooled life income fund assets	12,713	-	-	12,713	(7,111)
Net cash flow from financing activities	409,088	-	-	409,088	15,276
CHANGE IN CASH AND EQUIVALENTS	(1,802,330)	87,929	-	(1,714,401)	167,106
CASH AND EQUIVALENTS - beginning of year	8,081,371	51,199	-	8,132,570	7,965,464
CASH AND EQUIVALENTS - end of year	$ 6,279,041	$ 139,128	$ -	$ 6,418,169	$ 8,132,570

The accompanying notes are an integral part of these exhibits.