

BROOME COUNTY COUNCIL OF CHURCHES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2015

BROOME COUNTY COUNCIL OF CHURCHES, INC.

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Independent Auditor's Report

Board of Directors
Broome County Council of Churches, Inc.

We have audited the accompanying financial statements of Broome County Council of Churches, Inc. (a non-profit organization) which comprise the statement of financial position as of December 31, 2015 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

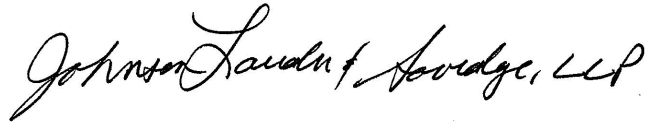
Board of Directors
Broome County Council of Churches, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Broome County Council of Churches, Inc. as of December 31, 2015, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Broome County Council of Churches, Inc. 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 18, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.



August 1, 2016
Binghamton, New York

BROOME COUNTY COUNCIL OF CHURCHES, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015
(With Comparative Totals for 2014)

	Unrestricted			Temporarily Restricted	Permanently Restricted	Total 2015	Total 2014
	General	Property and Board Designated	Total				
Liabilities and net assets							
Current liabilities							
Line of credit	\$ 252,850	\$ -	\$ 252,850	\$ -	\$ -	\$ 252,850	\$ 138,916
Accounts payable	11,185	-	11,185	-	-	11,185	19,526
Accrued expenses	9,919	-	9,919	-	-	9,919	7,695
Accrued compensated absences	38,342	-	38,342	-	-	38,342	35,133
Deferred revenue	6,500	-	6,500	-	-	6,500	27,702
Total current liabilities	<u>318,796</u>	<u>-</u>	<u>318,796</u>	<u>-</u>	<u>-</u>	<u>318,796</u>	<u>228,972</u>
Net assets							
Unrestricted	(20,301)	1,191,769	1,171,468	-	-	1,171,468	1,198,959
Temporarily restricted	-	-	-	166,603	-	166,603	228,439
Permanently restricted	-	-	-	-	1,056,279	1,056,279	1,157,660
Total net assets	<u>(20,301)</u>	<u>1,191,769</u>	<u>1,171,468</u>	<u>166,603</u>	<u>1,056,279</u>	<u>2,394,350</u>	<u>2,585,058</u>
Total liabilities and net assets	<u>\$ 298,495</u>	<u>\$ 1,191,769</u>	<u>\$ 1,490,264</u>	<u>\$ 166,603</u>	<u>\$ 1,056,279</u>	<u>\$ 2,713,146</u>	<u>\$ 2,814,030</u>

The accompanying notes are an integral part of these financial statements

BROOME COUNTY COUNCIL OF CHURCHES, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015
(With Comparative Totals for 2014)

	Unrestricted			Temporarily Restricted	Permanently Restricted	Total 2015	Total 2014
	General	Property and Board Designated	Total				
Assets							
Current assets							
Cash	\$ 244,244	\$ -	\$ 244,244	\$ -	\$ -	\$ 244,244	\$ 262,184
Accounts receivable (net) and unconditional promises to give	75,197	-	75,197	-	-	75,197	33,122
Mortgage receivable, current	9,120	-	9,120	-	-	9,120	8,702
Investments	-	88,669	88,669	-	483,128	571,797	638,527
Inventory	9,362	-	9,362	93,468	-	102,830	147,418
Prepaid expenses	14,991	-	14,991	-	-	14,991	4,561
Due from (to) other funds	(73,135)	-	(73,135)	73,135	-	-	-
Total current assets	<u>279,779</u>	<u>88,669</u>	<u>368,448</u>	<u>166,603</u>	<u>483,128</u>	<u>1,018,179</u>	<u>1,094,514</u>
Non-current assets							
Mortgage receivable, long term	18,716	-	18,716	-	-	18,716	27,836
Beneficial interest in perpetual trust	-	-	-	-	573,151	573,151	674,532
Land	-	48,326	48,326	-	-	48,326	48,326
Building and improvements	-	1,541,538	1,541,538	-	-	1,541,538	1,463,331
Furniture, fixtures and equipment	-	228,660	228,660	-	-	228,660	228,660
Vehicles	-	153,085	153,085	-	-	153,085	94,435
Less: accumulated depreciation	-	(868,509)	(868,509)	-	-	(868,509)	(817,604)
Total non-current assets	<u>18,716</u>	<u>1,103,100</u>	<u>1,121,816</u>	<u>-</u>	<u>573,151</u>	<u>1,694,967</u>	<u>1,719,516</u>
Total assets	<u>\$ 298,495</u>	<u>\$ 1,191,769</u>	<u>\$ 1,490,264</u>	<u>\$ 166,603</u>	<u>\$ 1,056,279</u>	<u>\$ 2,713,146</u>	<u>\$ 2,814,030</u>

The accompanying notes are an integral part of these financial statements

BROOME COUNTY COUNCIL OF CHURCHES, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

(With Comparative Totals for 2014)

	Unrestricted			Temporarily Restricted	Permanently Restricted	Total 2015	Total 2014
	General	Property and Board Designated	Total				
Revenue and support							
Contributions							
Churches	\$ 61,133	\$ -	\$ 61,133	\$ -	\$ -	\$ 61,133	\$ 60,081
Organizations and denominations	88,527	-	88,527	-	-	88,527	132,201
Individuals and businesses	384,310	-	384,310	29,720	-	414,030	474,309
Foundations and institutional	309,982	-	309,982	5,000	-	314,982	202,532
Matching gifts	4,360	-	4,360	-	-	4,360	4,522
In-kind	1,990,247	-	1,990,247	93,468	-	2,083,715	1,952,079
Special events-net	42,934	-	42,934	-	-	42,934	47,016
Warehouse renovation	15,982	-	15,982	7,125	-	23,107	-
Investment income (loss)	3	57,009	57,012	-	(101,381)	(44,369)	153,973
Miscellaneous income	2,864	-	2,864	-	-	2,864	2,113
Net assets released from restrictions	179,560	17,589	197,149	(197,149)	-	-	-
Total revenue and support	<u>3,079,902</u>	<u>74,598</u>	<u>3,154,500</u>	<u>(61,836)</u>	<u>(101,381)</u>	<u>2,991,283</u>	<u>3,028,826</u>
Expenses							
Chow Emergency Food Program	2,556,305	20,555	2,576,860	-	-	2,576,860	2,324,019
Jail Ministry	92,982	1,368	94,350	-	-	94,350	94,821
Hospital Ministry	40,419	-	40,419	-	-	40,419	35,946
Faith in Action Volunteers	116,852	9,075	125,927	-	-	125,927	131,221
Flood Relief	-	-	-	-	-	-	8,387
Total program expenses	<u>2,806,558</u>	<u>30,998</u>	<u>2,837,556</u>	<u>-</u>	<u>-</u>	<u>2,837,556</u>	<u>2,594,394</u>
General and administrative	233,125	22,907	256,032	-	-	256,032	270,265
Fund raising	88,403	-	88,403	-	-	88,403	53,996
Total expenses	<u>3,128,086</u>	<u>53,905</u>	<u>3,181,991</u>	<u>-</u>	<u>-</u>	<u>3,181,991</u>	<u>2,918,655</u>
Change in net assets	(48,184)	20,693	(27,491)	(61,836)	(101,381)	(190,708)	110,171
Balance at beginning of year	27,883	1,171,076	1,198,959	228,439	1,157,660	2,585,058	2,474,887
Net assets at end of year	<u>\$ (20,301)</u>	<u>\$ 1,191,769</u>	<u>\$ 1,171,468</u>	<u>\$ 166,603</u>	<u>\$ 1,056,279</u>	<u>\$ 2,394,350</u>	<u>\$ 2,585,058</u>

The accompanying notes are an integral part of these financial statements

BROOME COUNTY COUNCIL OF CHURCHES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2015
(With Comparative Totals for 2014)

	Chow Emergency Food Program	Jail Ministry	Hospital Ministry	Faith in Action Volunteers	General and Administrative Expenses	Fund Raising	Total Expenses	
							2015	2014
Salary expense	\$ 241,667	\$ 77,243	\$ 36,298	\$ 71,749	\$ 125,033	\$ 68,150	\$ 620,140	\$ 597,459
Payroll taxes	15,952	5,652	2,730	6,013	13,348	5,630	49,325	49,109
Fringe benefits	8,319	2,705	1,388	1,209	4,687	10,904	29,212	29,727
Contracted services - other	21,275	102	-	6,599	1,921	-	29,897	21,098
Seminars and education	365	1,049	-	-	5,007	-	6,421	2,617
Food expense (includes in-kind)	2,180,601	-	-	-	-	-	2,180,601	1,963,137
Direct aid	9,489	590	-	15,273	-	-	25,352	16,736
Postage and shipping	4,129	346	-	1,460	2,349	2,349	10,633	9,692
Telephone and internet	1,990	648	-	660	4,286	-	7,584	8,877
Supplies	9,534	1,430	-	811	915	915	13,605	10,219
General insurance	3,012	-	-	185	11,152	-	14,349	11,753
Repairs and maintenance	15,216	788	-	1,023	17,806	-	34,833	30,299
Utilities	8,629	-	-	315	18,963	-	27,907	26,185
Printing	9,303	394	3	3,720	456	455	14,331	12,216
Vehicle expenses	17,385	15	-	5,501	1,336	-	24,237	38,901
Direct fund raising costs	420	-	-	-	-	-	420	2,792
Professional fees (includes in-kind)	2,829	454	-	454	7,583	-	11,320	11,540
Travel and meals	2,729	1,045	-	687	3,963	-	8,424	4,384
Depreciation	20,555	1,368	-	9,075	22,907	-	53,905	52,512
Publicity and volunteer recognition	2,135	-	-	1,066	3,210	-	6,411	4,210
Dues, fees and subscriptions	1,313	521	-	127	6,199	-	8,160	7,605
Miscellaneous	13	-	-	-	308	-	321	1,727
Interest expense	-	-	-	-	4,603	-	4,603	5,860
	<u>\$ 2,576,860</u>	<u>\$ 94,350</u>	<u>\$ 40,419</u>	<u>\$ 125,927</u>	<u>\$ 256,032</u>	<u>\$ 88,403</u>	<u>\$ 3,181,991</u>	<u>\$ 2,918,655</u>

The accompanying notes are an integral part of these financial statements

BROOME COUNTY COUNCIL OF CHURCHES, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

(With Comparative Totals for 2014)

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ (190,708)	\$ 110,171
Adjustments to reconcile change in net assets to cash flows from operations:		
Depreciation	53,905	52,512
In-kind vehicle donations	-	(5,499)
In-kind stock donations	(5,255)	(1,471)
Net (gain) loss on investments	39,800	23,568
Interest in perpetual trust	101,381	(97,803)
Change in assets:		
Accounts receivable and promises to give	(42,075)	(29,622)
Inventory	44,588	(11,159)
Prepaid expense	(10,430)	94
Change in liabilities:		
Accounts payable	(8,341)	(10,663)
Accrued expenses and deferred revenue	(18,978)	27,791
Accrued compensated absences	3,209	2,197
Net cash from operating activities	<u>(32,904)</u>	<u>60,116</u>
Cash flows from investing activities:		
Purchase of property and equipment	(139,857)	-
Receipts on mortgage receivable	8,702	8,308
Proceeds from sale of investments	41,512	35,000
Purchase of investments	(9,328)	(57,871)
Net cash from investing activities	<u>(98,971)</u>	<u>(14,563)</u>
Cash flows from financing activities:		
Borrowings on line of credit	252,850	109,500
Payments on line of credit	(138,915)	(125,000)
Net cash from financing activities	<u>113,935</u>	<u>(15,500)</u>
Change in cash and cash equivalents	(17,940)	30,053
Cash at the beginning of year	<u>262,184</u>	<u>232,131</u>
Cash at the end of year	<u>\$ 244,244</u>	<u>\$ 262,184</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest	<u>\$ 4,603</u>	<u>\$ 5,860</u>

The accompanying notes are an integral part of these financial statements

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 1: COUNCIL PURPOSE

The Broome County Council of Churches, Inc. (the Council) is an Ecumenical Christian Ministries Organization sponsored by Protestant, Anglican, Roman Catholic and Orthodox Churches in Broome County, New York. The Council also works closely on an interfaith basis with other religions. The services provided are considered to be those which are vital to local congregations that would be difficult for member churches to offer alone. A brief description of these services is as follows:

Jail Ministry - Guidance and counseling to the incarcerated and their families. Provides access to services and support to individuals discharged from the Broome County jail.

Hospital Ministry - Visits with patients and their families who are without a church "home," and crisis coverage for local clergy in area hospitals.

Faith in Action Volunteers - Recruits and trains volunteers to assist the elderly, homebound and people with other challenges. Coordinates worship services in area long-term care facilities with limited visitation of long-term care residents. Conducts a wheelchair ramp program in the community with an emphasis on training youth to build the ramps.

Chow Emergency Food Program - Clients (who are referred by clergy or agencies) are directed to food pantries where provisions for three nutritious meals for five days are available. Support includes an annual Hunger Walk in the community to raise funds. There is also a "Broome Bounty" food recovery program that began in the mid-90's. Perishable and surplus food is "recovered" from area retailers, wholesalers, and institutions. It is then distributed to over 60 agencies including area soup kitchens, missions, shelters, children's programs, food distribution sites and pantries. Chow and Broome Bounty distributed 1,282,706 and 1,141,359 pounds of food in 2015 and 2014, respectively. The Chow Farm Project grows fresh fruits and vegetables for the hungry of Broome County and teaches clients how they can grow their own food. In 2014, CHOW launched a low-cost farmers' market that travels to areas that are known as food deserts or have high levels of food insecurity and poverty.

Other Activities - These include adult education outreach on nutrition and healthy lifestyles through Senior Living Ministry, religious teacher training, community affairs involvement including the "Encounter" radio and TV program, interaction activities with other Christians, cooperative purchasing resources, miscellaneous volunteer activities, and interfaith activities.

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Council have been prepared on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation - Financial statement presentation follows Generally Accepted Accounting Principles (GAAP) which requires the Council to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Contributions - The Council also follows GAAP regarding accounting for contributions received and contributions made. In accordance with GAAP, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Council that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires or is otherwise satisfied, temporarily restricted net assets are reclassified to unrestricted net assets. The Council deems food supplies on hand at year-end to be temporarily restricted and are intended to be utilized by the CHOW Program in the following year.

Tax Status - The Council is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and accordingly no provision for such taxes is included in the financial statements. The Council has considered the accounting guidance for recognition of an uncertainty in income taxes. As a result, there has been no change in recognition of tax assets or liabilities as of the date of these financial statements. Tax years for the Council prior to 2012 are closed to examination.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Council considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Depreciation - The Council records depreciation on its fixed assets on a straight-line basis over periods of 3 - 40 years. Acquisitions by the Council are recorded at cost if purchased, or fair value if contributed, in the appropriate class of net assets involved. Expenditures for maintenance, repairs, minor renewals and betterments which do not improve or extend the useful life of the respective asset are expensed. All other expenditures for renewals and betterments are capitalized.

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory - Inventory is valued at the lower of cost or market. Cost is determined using an approximate national average wholesale value per pound of donated product, which was determined to be \$1.70 and \$1.72, respectively, during 2015 and 2014.

Restricted Resources - The Council generally shows restricted contributions whose restrictions are met in the same reporting period as unrestricted contributions. CHOW Program inventory and Round-Up credits (if any) are shown as temporarily restricted net assets at year end, along with any future time restricted funds identified.

In-Kind Revenues and Expenses - The Council recognizes donated goods at fair market value. The majority of this in-kind (non-cash) revenue consists of food merchandise donated on behalf of the Chow Emergency Food Program. The Council accounts for the food expense based on products distributed throughout the year to needy applicants using estimated values. Food that was actually acquired by cash purchase is then subtracted from the computed expense to derive in-kind food revenue which is deemed to make up the difference.

Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Certain Significant Estimates - The Council has calculated and determined its in-kind revenue and food expenses for the years ended December 31, 2015 and 2014 based on approximate average wholesale value of one pound of donated product at the national level, which was determined to be \$1.70 and \$1.72, respectively. In addition, the beneficial interest in the perpetual trust is estimated based on the percentage interest in the distribution times the fair market value of the underlining assets.

Advertising - The policy of the Council is to expense advertising costs as incurred.

Fair Value Measurements - The Council follows GAAP regarding fair value measurements. GAAP defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Council accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurements.

Reclassifications - Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 3: INVESTMENTS - SECURITIES AND ANNUITIES

The Council values investments at fair value in these financial statements in accordance with GAAP. Fair value of an asset is the amount for which that asset could be bought or sold in a current transaction between willing parties.

The following is a summary of unrealized gains or losses as of December 31, 2015 and 2014, respectively.

	Cost	2015 Fair Market Value	Unrealized Gain(Loss)
Mutual funds	\$ 532,800	\$ 571,797	\$ 38,997
	<u>\$ 532,800</u>	<u>\$ 571,797</u>	<u>\$ 38,997</u>
	Cost	2014 Fair Market Value	Unrealized Gain(Loss)
Common stock	\$ 1,471	\$ 1,471	\$ -
Mutual funds	552,643	637,056	84,413
	<u>\$ 554,114</u>	<u>\$ 638,527</u>	<u>\$ 84,413</u>

In accordance with GAAP, the Council has categorized its financial instruments, based on priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the statement of financial position are categorized based on the inputs to valuation techniques as follows:

Level 1 - These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Council has the ability to access.

Level 2 - These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full-term of the investments.

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 3: INVESTMENTS - SECURITIES AND ANNUITIES (Continued)

Level 3 - These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market and perpetual trusts held by others that are not under the control or possession of the Council.

Financial assets recorded on the statement of financial position are categorized based on the inputs to the valuation technique as follows for the years ended December 31, 2015 and 2014:

Asset category	December 31, 2015			Total
	Level 1	Level 2	Level 3	
Investments:				
Mutual funds	\$ 571,797	\$ -	\$ -	\$ 571,797
	571,797	-	-	571,797
Perpetual trusts held by others	-	-	573,151	573,151
	\$ 571,797	\$ -	\$ 573,151	\$ 1,144,948

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			Balance at December 31, 2015
	Balance as of January 01, 2015	Unrealized Loss Included in Change in Net Assets	Purchases, Sales, Issuances, and Settlement	
Perpetual trusts held by others	\$ 674,532	\$ (101,381)	\$ -	\$ 573,151

Asset category	December 31, 2014			Total
	Level 1	Level 2	Level 3	
Investments:				
Common stock	\$ 1,471	\$ -	\$ -	\$ 1,471
Mutual funds	637,056	-	-	637,056
	638,527	-	-	638,527
Perpetual trusts held by others	-	-	674,532	674,532
	\$ 638,527	\$ -	\$ 674,532	\$ 1,313,059

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 3: INVESTMENTS - SECURITIES AND ANNUITIES (Continued)

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Balance as of January 01, 2014	Unrealized Gain Included in Change in Net Assets	Purchases, Sales, Issuances, and Settlement	Balance at December 31, 2014
Perpetual trusts held by others	\$ 576,729	97,803	\$ -	\$ 674,532

NOTE 4: RETIREMENT PLAN

The Council has established a Simplified Employee Pension - Individual Retirement Plan for employees who meet the eligibility rules specified. The Council contribution is 3% of gross wages for all eligible employees who have completed one year of service. The Council contributed a total of \$15,317 and \$15,394 for 2015 and 2014, respectively.

NOTE 5: NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2015	2014
Purpose restrictions accomplished	<u>\$ 142,660</u>	<u>\$ 128,869</u>

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

The following summarizes the composition of these net assets at December 31, 2015 and 2014:

	2015	2014
Purpose restriction - Chow Program	\$ 149,560	\$ 159,544
Purpose restriction - General	-	50,000
Purpose restriction - Flood Relief	15,143	15,144
Purpose restriction - Faith in Action Volunteers	1,900	3,366
Purpose restriction - Peace with Justice	-	385
	<u>\$ 166,603</u>	<u>\$ 228,439</u>

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 7: RELATED PARTY TRANSACTIONS

Certain board members are employees of organizations that conduct business with the council.

NOTE 8: PERMANENTLY RESTRICTED NET ASSETS

This class of net assets is primarily comprised of funds raised from the endowment campaign that started in 1986. It represents the principal portion that cannot be spent, along with valuation adjustments of the Perpetual Trust. Spendable earnings are identified in the unrestricted net asset class or in the temporarily restricted category if the donor specified a restricted purpose.

A summary of the composition is as follows at December 31, 2015 and 2014:

	2015	2014
General endowments	\$ 483,128	\$ 483,128
Perpetual trust	573,151	674,532
	<u>\$ 1,056,279</u>	<u>\$ 1,157,660</u>

NOTE 9: CONCENTRATION OF CREDIT RISK

The Council's financial instruments that are exposed to concentrations of credit risk are primarily with cash and cash equivalents. The Council places its cash and temporary cash investments with high credit quality institutions. At December 31, 2015, cash balances were fully insured by the Federal Deposit Insurance Corporation.

NOTE 10: INVESTMENT INCOME

Investment income consists of the following at December 31, 2015 and 2014:

	2015	2014
Unrestricted General		
Interest and dividends	\$ 96,812	\$ 80,143
Net realized gain (loss)	6,170	7,964
Net unrealized gain (loss) in fair market value	(45,970)	(31,937)
Sub-total	<u>57,012</u>	<u>56,170</u>
Permanently Restricted		
Unrealized gain (loss) in perpetual trust	(101,381)	97,803
Total	<u>\$ (44,369)</u>	<u>\$ 153,973</u>

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 11: ACCOUNTS RECEIVABLE

The following is a summary of accounts receivables and unconditional promises to give included on the statement of financial position. The reserve for uncollectable promises to give has been applied to arrive at the net balance.

	Unrestricted
2015	<u>\$ 75,197</u>
2014	<u>\$ 33,122</u>

NOTE 12: PROPERTY AND EQUIPMENT

A summary of the property and equipment and accumulated depreciation as of December 31, 2015 and 2014 are as follows:

	2015		
	Original Cost	Accumulated Depreciation	Book Value
Land	\$ 48,326	\$ -	\$ 48,326
Building and improvements	1,541,538	560,274	981,264
Equipment	228,660	223,446	5,214
Vehicles	153,085	84,789	68,296
	<u>\$ 1,971,609</u>	<u>\$ 868,509</u>	<u>\$ 1,103,100</u>
	2014		
	Original Cost	Accumulated Depreciation	Book Value
Land	\$ 48,326	\$ -	\$ 48,326
Building and improvements	1,463,331	520,049	943,282
Equipment	228,660	222,054	6,606
Vehicles	94,435	75,501	18,934
	<u>\$ 1,834,752</u>	<u>\$ 817,604</u>	<u>\$ 1,017,148</u>

NOTE 13: GEOGRAPHIC CONCENTRATION

The Council is located in Broome County, New York, and is primarily dependent on the charitable giving of the local community. This region has been subject to economic challenges, negatively affecting the ability to raise charitable funds. Organizations concentrated in such a geographic area face greater challenges than those having more diversity in support.

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 14: LINE OF CREDIT

The Council established a line of credit with M&T Bank for up to \$450,000 of borrowing. The line is collateralized by the building. The actual debt outstanding December 31, 2015 was \$252,850. The note is due on demand and carries a variable interest rate which was 4% at December 31, 2015.

NOTE 15: MORTGAGE RECEIVABLE

The Council relocated all its operations to a new site in 2001 in conjunction with a capital campaign to do so; the old site was sold for \$110,000 in October 2003. A mortgage receivable was established for \$110,000, receivable in monthly installments of \$853 for 180 months with interest at a rate of 4.7%. The balance receivable at December 31, 2015 is \$27,836.

Future principal payments due are as follows:

	Amount
2016	\$ 9,120
2017	9,558
2018	9,158
	<u>\$ 27,836</u>

NOTE 16: BENEFICIAL INTEREST IN PERPETUAL TRUST

The Council began receiving investment income distributions in 2002 based on a 10% interest in a charitable remainder unitrust established under the will of a donor. A total of \$85,950 was received relative to investment assets at December 31, 2015 of \$573,151. An unrealized loss in the permanently restricted net asset group has been recorded at \$(101,381) based on an estimate of the fair market value. Investment receipts are unrestricted. Funds invested in such a trust are held in perpetuity at a third party trustee and are not accessible. The Council adjusted its method of valuing the fair market value from the estimated present value of future cash flows based on 4% distribution assumption to the actual percentage interest of the distributions times fair market value of the trust. The Council feels that this is a more stable and accurate representation of its interest in the perpetual trust.

BROOME COUNTY COUNCIL OF CHURCHES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

NOTE 17: SPECIAL EVENTS

A summary of the various events and activities reported “net” in the statement of activities is as follows:

	2015	Revenues	Expenses	Net Raised
Hunger Walk		\$ 29,820	\$ 5,186	\$ 24,634
Lives of Commitment Breakfast		19,981	6,966	13,015
Dining for Dollars		9,653	4,368	5,285
Totals		\$ 59,454	\$ 16,520	\$ 42,934
	2014	Revenues	Expenses	Net Raised
Hunger Walk		\$ 34,570	\$ 4,763	\$ 29,807
Lives of Commitment Breakfast		17,584	5,507	12,077
Dining for Dollars		8,624	3,492	5,132
Totals		\$ 60,778	\$ 13,762	\$ 47,016

NOTE 18: NEW YORK PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS ACT

On September 17, 2010, New York State adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA), a form of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Council believes that it is subject to NYPMIFA’s spending and investment policies similar to other not-for-profit entities in New York State.

NOTE 19: EVENTS OCCURRING AFTER REPORTING DATE

The Council has evaluated events and transactions that occurred between December 31, 2015 and the report date, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. The Council did not identify any material transactions or events during that period that would require adjustment to, or disclosure in, these financial statements.