

**UNITED WAY OF THE CAPITAL REGION
AND UNITED WAY FOUNDATION
OF THE CAPITAL REGION**

**YEARS ENDED
MARCH 31, 2018 AND 2017**

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

MARCH 31, 2018 AND 2017

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Independent Auditors' Report

Members of the Board
United Way of the Capital Region and
United Way Foundation of the Capital Region
Enola, Pennsylvania

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of United Way of the Capital Region and United Way Foundation of the Capital Region (collectively, the Organization) which comprise the consolidated statements of financial position as of March 31, 2018 and 2017, and the related consolidated statements of activities, functional expenses and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 auditors consider internal control relevant to the Organization'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 Organization'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 United Way of the Capital Region and United Way Foundation of the Capital Region as of March 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and the consolidating statements of activities on pages 28-33 are presented for the purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations and are 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 consolidating information has been subjected to the auditing procedures applied in the audits 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.

Brown Schultz Steidan & Fritz

Camp Hill, Pennsylvania
June 20, 2018

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – MARCH 31, 2018 AND 2017

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 1,631,290	\$ 1,183,301
United Way investments	6,628,482	5,810,603
Pledges receivable, less allowance for uncollectible pledges of \$258,835 and \$248,480 for 2018 and 2017, respectively	6,025,982	5,721,816
Other receivables and prepaid expenses	85,681	267,358
Land, building and equipment, net	1,194,461	1,238,812
Cash surrender value of life insurance policies	78,010	75,828
Foundation investments	6,557,192	6,615,200
Beneficial interests held by third parties	12,735,834	12,112,454
Total assets	\$ 34,936,932	\$ 33,025,372
LIABILITIES AND NET ASSETS		
Liabilities:		
Short-term payables	\$ 197,240	\$ 234,168
Designations payable	4,517,669	4,003,906
Processed pledges payable	288,597	406,167
Total liabilities	5,003,506	4,644,241
Net assets:		
Unrestricted	6,157,070	4,831,162
Temporarily restricted	5,939,274	6,336,267
Permanently restricted	17,837,082	17,213,702
Total net assets	29,933,426	28,381,131
Total liabilities and net assets	\$ 34,936,932	\$ 33,025,372

See notes to consolidated financial statements.

UNITED WAY OF THE CAPITAL REGION AND UNITED WAY FOUNDATION OF THE CAPITAL REGION

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED MARCH 31, 2018 AND 2017

	2018				2017			
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Public support and revenue:								
Campaign results:								
Future years		\$ 530,472		\$ 530,472		\$ 449,480		\$ 449,480
Current year		8,981,514		8,981,514		9,909,789		9,909,789
Corporate Cornerstones		830,773		830,773		926,352		926,352
Prior years	\$ 205,629			205,629	\$ 123,829			123,829
Less:								
Donor designations	(112,511)	(5,469,137)		(5,581,648)		(5,672,505)		(5,672,505)
Provision for uncollectibles		(187,262)		(187,262)		(231,180)		(231,180)
Net campaign revenue	93,118	4,686,360		4,779,478	123,829	5,381,936		5,505,765
Perpetual trust income	561,689			561,689	561,946			561,946
Other United Way designations	67,172	26,193		93,365	44,107	66,522		110,629
Bequests and other contributions	68,109	27,415		95,524	899			899
Grants	77,799			77,799	110,933			110,933
Donated goods	36,449			36,449	67,149			67,149
Donated advertising and services	66,857			66,857	94,573			94,573
Investment income	205,994	178,342		384,336	134,140	137,464		271,604
Realized gain on investments	23,155	177,289		200,444	28,833	211,645		240,478
Unrealized gain (loss) on investments	49,661	(57,796)	\$ 623,380	615,245	240,810	179,557	\$ 797,082	1,217,449
Other revenue	252,674	215		252,889	174,841			174,841
Reclassifications					10,000		(10,000)	
Net assets released from restriction:								
Expiration of time restriction	4,951,146	(4,951,146)		-	5,118,175	(5,118,175)		-
Expiration of purpose restriction	483,865	(483,865)		-	548,961	(548,961)		-
Total public support and revenue	6,937,688	(396,993)	623,380	7,164,075	7,259,196	309,988	787,082	8,356,266

(continued)

UNITED WAY OF THE CAPITAL REGION AND UNITED WAY FOUNDATION OF THE CAPITAL REGION

CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

	2018			2017				
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Allocations and expenses:								
Funds allocated to agencies	\$ 2,745,499			\$ 2,745,499	\$ 4,136,266			\$ 4,136,266
Donated goods allocated to agencies	1,278			1,278	28,443			28,443
Community response grants	49,028			49,028	20,000			20,000
Total allocations	<u>2,795,805</u>			<u>2,795,805</u>	<u>4,184,709</u>			<u>4,184,709</u>
Functional expenses:								
Program services	958,016			958,016	828,549			828,549
Fundraising	1,032,022			1,032,022	1,060,881			1,060,881
Organizational administration	825,937			825,937	852,894			852,894
Total functional expenses	<u>2,815,975</u>			<u>2,815,975</u>	<u>2,742,324</u>			<u>2,742,324</u>
Total allocations and expenses	<u>5,611,780</u>			<u>5,611,780</u>	<u>6,927,033</u>			<u>6,927,033</u>
Changes in net assets	1,325,908	\$ (396,993)	\$ 623,380	1,552,295	332,163	\$ 309,988	\$ 787,082	1,429,233
Net assets:								
Beginning of year	4,831,162	6,336,267	17,213,702	28,381,131	4,498,999	6,026,279	16,426,620	26,951,898
End of year	<u>\$ 6,157,070</u>	<u>\$ 5,939,274</u>	<u>\$ 17,837,082</u>	<u>\$ 29,933,426</u>	<u>\$ 4,831,162</u>	<u>\$ 6,336,267</u>	<u>\$ 17,213,702</u>	<u>\$ 28,381,131</u>

See notes to consolidated financial statements.

UNITED WAY OF THE CAPITAL REGION AND UNITED WAY FOUNDATION OF THE CAPITAL REGION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED MARCH 31, 2018

	Program services				Support services		
	Community impact and fund distribution	Volunteer center	Family economic stability	Total	Organizational administration	Fundraising	Total
Salaries	\$ 276,183	\$ 54,700	\$ 25,141	\$ 356,024	\$ 472,201	\$ 484,382	\$ 1,312,607
Employee benefits	65,869	17,451	4,322	87,642	96,286	98,372	282,300
Payroll taxes	24,021	4,759	2,427	31,207	38,776	40,493	110,476
Total salaries and benefits	366,073	76,910	31,890	474,873	607,263	623,247	1,705,383
Professional fees	17,435	978	2,952	21,365	39,275	11,413	72,053
Supplies, computers	17,523	1,550	4,896	23,969	21,671	53,354	98,994
Program expenses	240,960	38,635	2,823	282,418		69,596	352,014
Telephone and internet	2,497	449	424	3,370	3,910	4,241	11,521
Postage and shipping	1,390	309	1,772	3,471	3,865	4,986	12,322
Occupancy	16,267	2,565	2,513	21,345	24,138	27,615	73,098
Audio-visual aids						21,786	21,786
Donated advertising and services	3,150		28,725	31,875		33,482	65,357
Printing and publications	2,852	6,000	11,690	20,542	10,934	40,264	71,740
Travel	4,478	1,027	934	6,439	1,762	9,599	17,800
Conferences, meetings and training	708	253	170	1,131	7,024	1,143	9,298
Dues and subscriptions	46	8	8	62	2,503	2,695	5,260
Awards	363	1,619		1,982	433	36,065	38,480
Miscellaneous	360	83	2,202	2,645	818	11,751	15,214
Depreciation	18,046		6,080	24,126	19,895	25,826	69,847
Investment management fee					40,107		40,107
UW Life Insurance Premiums							
Dues to United Way of Pennsylvania	5,943			5,943	6,552	8,505	21,000
Dues to United Way of America	32,460			32,460	35,787	46,454	114,701
	\$ 730,551	\$ 130,386	\$ 97,079	\$ 958,016	\$ 825,937	\$ 1,032,022	\$ 2,815,975

(continued)

UNITED WAY OF THE CAPITAL REGION AND UNITED WAY FOUNDATION OF THE CAPITAL REGION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

YEAR ENDED MARCH 31, 2017

	Program services				Support services		
	Community impact and fund distribution	Volunteer center	Family economic stability	Total	Organizational administration	Fundraising	Total
Salaries	\$ 308,396	\$ 55,129	\$ 44,175	\$ 407,700	\$ 477,193	\$ 494,061	\$ 1,378,954
Employee benefits	60,654	17,253	971	78,878	141,385	91,001	311,264
Payroll taxes	26,309	4,712	3,803	34,824	38,939	41,890	115,653
Total salaries and benefits	395,359	77,094	48,949	521,402	657,517	626,952	1,805,871
Professional fees	57,371	1,703	1,439	60,513	38,126	15,112	113,751
Supplies, computers	18,692	2,286	5,789	26,767	17,215	46,715	90,697
Program expenses	52,905	39,192	2,382	94,479	8,391		102,870
Telephone and internet	2,723	499	399	3,621	3,492	4,757	11,870
Postage and shipping	1,308	281	1,860	3,449	3,644	4,965	12,058
Occupancy	15,834	3,045	2,436	21,315	20,237	28,889	70,441
Audio-visual aids						5,537	5,537
Donated advertising and services						94,573	94,573
Printing and publications	4,084	1,150	5,692	10,926	2,458	86,453	99,837
Travel	5,741	1,437	1,040	8,218	1,214	12,088	21,520
Conferences, meetings and training	1,270	377	115	1,762	4,452	2,072	8,286
Dues and subscriptions	838		6	844	3,234	1,942	6,020
Awards	572	7	232	811	311	41,903	43,025
Miscellaneous	179	63	166	408	859	715	1,982
Depreciation	21,563		5,188	26,751	18,194	27,627	72,572
Investment management fee					38,673		38,673
UW Life Insurance Premiums					(5,018)		(5,018)
Dues to United Way of Pennsylvania	6,400			6,400	5,400	8,200	20,000
Dues to United Way of America	40,883			40,883	34,495	52,381	127,759
	<u>\$ 625,722</u>	<u>\$ 127,134</u>	<u>\$ 75,693</u>	<u>\$ 828,549</u>	<u>\$ 852,894</u>	<u>\$ 1,060,881</u>	<u>\$ 2,742,324</u>

See notes to consolidated financial statements.

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2018 AND 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 1,552,295	\$ 1,429,233
Adjustments:		
Depreciation	69,847	72,572
Unrealized net gain on investments and beneficial interests held by third parties	(615,245)	(1,217,449)
Realized gain on investments	(200,444)	(240,478)
Bequests to Foundation	(36,307)	(899)
Changes in assets and liabilities:		
(Increase) decrease in:		
Pledges receivable	(304,166)	371,204
Other	181,677	(34,250)
Increase (decrease) in:		
Short-term payables	(36,928)	(38,942)
Grants and allocations payable		(24,431)
Designations and processed pledges payable	396,193	(253,379)
Total adjustments	(545,373)	(1,366,052)
Net cash provided by operating activities	1,006,922	63,181
Cash flows from investing activities:		
Sales (purchases) of investments, net	(567,562)	366,065
Purchases of land, building and equipment	(25,496)	(17,026)
Increase in cash surrender value of life insurance policies	(2,182)	(6,948)
Net cash provided by (used in) investing activities	(595,240)	342,091

(continued)

**UNITED WAY OF THE CAPITAL REGION AND
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CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash flows provided by financing activities, bequests to Foundation	<u>\$ 36,307</u>	<u>\$ 899</u>
Net increase in cash and cash equivalents	447,989	406,171
Cash and cash equivalents:		
Beginning of year	<u>1,183,301</u>	<u>777,130</u>
End of year	<u>\$ 1,631,290</u>	<u>\$ 1,183,301</u>

See notes to consolidated financial statements.

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2018 AND 2017

1. Description of activities:

United Way of the Capital Region (United Way) is governed by a volunteer board of directors and works year-round to improve lives in counties of Cumberland, Dauphin and Perry, Pennsylvania. United Way accomplishes this by identifying the most pressing community needs, finding solutions to those needs and demonstrating how these solutions are making a difference.

United Way of the Capital Region focuses on health, education, income and basic needs because these are the building blocks for a better life for us all. United Way helps support more than 80 programs and services to create solutions to the needs in our community. United Way also launches initiatives and partners with local organizations and corporations to keep pace with our ever-changing community.

The Community Impact and Fund Distribution program performs a periodic evaluation of community needs and engages community volunteers, experts in the community and program partners to determine how to distribute funds to address priority needs in the community.

The Family Economic Stability Partnership program provides financial literacy resources, assistance in applying for federal and state benefits and referral to other human service organizations to improve the well-being of low-moderate income people in our region.

The Volunteer Center promotes volunteerism in the community and serves as a clearinghouse for donated goods and volunteer opportunities and needs.

The United Way Foundation of the Capital Region (the Foundation) was established with the purpose of supporting the mission of the United Way by soliciting, investing and maintaining funds designated by the board or donors to function as an endowment for the benefit of the United Way. The Foundation helps provide a stable base of funding for challenging economic times and for meeting community needs as they change over time. Three types of funds are currently held by the Foundation. The General Fund which is unrestricted and intended to support the most pressing needs identified in the community. The Legacy Fund which is restricted by the donor to use annual earnings from these funds to make their annual gift to the United Way campaign. The annual income from the donor (permanently) restricted funds are used as specified by the donor.

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

2. Summary of significant accounting policies:

Principles of consolidation:

The consolidated financial statements include the accounts of the United Way of the Capital Region and the United Way Foundation of the Capital Region. The Foundation is consolidated since the United Way has an economic interest in it and control through a majority of the appointments on the board of the Foundation. All significant inter-entity balances and transactions have been eliminated in consolidation.

Annual campaigns:

Annual campaigns are generally conducted from August through December to provide support to program partners in the subsequent fiscal year. Contributions and pledges received, or receivable, from the current year campaign, net of designated amounts, are recorded as temporarily restricted support. In the subsequent year, when allocations are committed to program partners, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the statements of activities as net assets released from restrictions.

Donor designations:

The Organization receives contributions that designate a specific organization, community initiative, or another United Way to benefit from the contribution. The United Way recognizes a liability for these contributions until the United Way transfers these donor designations based on the wishes of the donor. Donor designations for the 2017 and 2016 campaigns are reported at their full amount due to the implementation of the Corporate Cornerstones Program (described in Note 7).

Processed campaigns:

The United Way acts as the processor by paying out designations for regional or national campaigns of several companies with headquarters in the area. These processed dollars totaled \$305,230 for the 2017 campaign and \$345,992 for the 2016 campaign, and the unremitted amounts are recorded as assets with corresponding liabilities in the statements of financial position. Fundraising and administrative costs are deducted from the processed pledges in accordance with the Organization's and United Way of America's Cost Deduction Standards. The fundraising costs are reimbursed to the United Way that raises the dollars, and the administrative costs are retained by the Organization as reimbursement of the costs associated with processing the campaigns.

**UNITED WAY OF THE CAPITAL REGION AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

2. Summary of significant accounting policies (continued):

Cash and cash equivalents:

For purposes of reporting cash flows, the Organization considers all investments with a maturity of three months or less when acquired and not held with an investment broker for investing purposes to be cash equivalents.

Investments:

The investments of the United Way consist of corporate bonds, exchange traded funds and certificates of deposit that are reported at fair value. Investments of the Foundation consist of mutual funds, stocks, corporate bonds, alternative investments and cash equivalents that are reported at fair value.

Unrealized gains and losses are included in the change in net assets.

Pledges receivable:

Pledges are recorded when received and allowances are provided for amounts estimated to be uncollectible. Amounts outstanding from the previous years' campaign are generally reserved through the allowance or through the designations payable. In general, pledges outstanding are expected to be received within one year.

Land, building and equipment:

Land, building and equipment are recorded at cost. The Organization capitalizes all asset purchases over \$500. Depreciation is computed by the straight-line method over the following estimated useful lives of the assets:

Buildings and improvements	40 years
Office furniture and equipment	5 - 10 years

Donated goods and services:

Amounts for donated goods and services are recorded based on the values assigned by the donor at the time of donation, which is estimated to approximate fair value. In certain instances, the value is determined by an appropriate standard measure of value.

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

2. Summary of significant accounting policies (continued):

Donated goods and services (continued):

Amounts for donated advertising time and materials have been recorded in the amount of \$66,857 and \$94,573 for 2018 and 2017, respectively. Advertising costs are charged to operations when incurred. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations and various committee assignments. The Organization receives approximately 23,000 volunteer hours per year.

Foundation investments and endowments:

The intent of the Foundation's board of directors is for the net assets of the Foundation to function as an endowment. The Foundation attempts to maximize long-term gains through capital appreciation and current yield with an acceptable level of risk to provide funding for initiatives and special projects or act as an emergency source of funding. The Foundation may annually spend up to 4.5% of the average portfolio value over the prior three years, using December 31 valuations, unless otherwise restricted by the donor. Additionally, 1% is allowed to cover management and administrative expenses.

The Foundation has interpreted the Pennsylvania Uniform Principal and Income Act and Pennsylvania Act 141 as requiring the preservation of the fair value of the original gift as of the receipt date of the donor restricted endowment funds, to the extent that there are no donor stipulations to the contrary. United Way classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment and the original value of subsequent gifts made to the endowment. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the United Way in a manner consistent with the standard of prudence described by Pennsylvania Act 141.

Beneficial interests in perpetual trusts held by third parties:

Beneficial interests consist of the fair value of assets held in trusts established by donors for the benefit of the Organization. These interests are recorded in the accompanying financial statements when the Organization has received sufficient documentation to substantiate the trusts are irrevocable and the fair value of the Organization's interest in the trusts can be readily determined.

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

2. Summary of significant accounting policies (continued):

Beneficial interests in perpetual trusts held by third parties (continued):

Private foundations appropriate 5% of the average monthly market value for expenditure on an annual basis, in accordance with calculated minimum required distributions per the Internal Revenue Service (IRS) Form 990PF. Distributions to the Organization from perpetual trusts are typically used to fund current operations unless otherwise directed by the donors.

Functional allocation of expenses:

The costs of providing the various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated based on employees' time among the programs and supporting services benefited. Other costs that could not be directly allocated were allocated based on the number of employees in each functional area.

Estimates:

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could vary from these estimates.

Income tax status:

The Internal Revenue Service has recognized the United Way and the Foundation as tax-exempt under Internal Revenue Code Section 501(c)(3); therefore, no provision for income taxes has been made in these financial statements.

Subsequent events:

The Organization has evaluated subsequent events through June 20, 2018, the date the financial statements were available to be issued.

**UNITED WAY OF THE CAPITAL REGION AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

2. Summary of significant accounting policies (continued):

Recently issued accounting standards:

Revenue:

Financial Accounting Standards Board Accounting Standards Update (FASB ASU) 2014-09, *Revenue from Contracts and Customers (Topic 606)*, with effective dates amended by FASB ASU 2015-14, is effective for the United Way's 2019 year end and identifies specific steps to be applied to properly recognize revenue from customer contracts. Under the standard, revenue recognition is determined using a five-step model which identifies customer contracts, identifies performance obligations in each contract, determines transaction price, allocates transaction price to performance obligations and recognizes revenue when or as the performance obligations are satisfied. The standard permits the use of either the retrospective or cumulative effect transition method. The United Way is evaluating the effect that ASU 2014-09 will have on the United Way's financial statements. The United Way has not yet selected a transition method, nor has it determined the effect of the standard on its ongoing financial reporting.

Leases:

FASB ASU 2016-02, *Leases*, is effective for the United Way's 2020 year end and requires that all leases with terms of more than 12 months be recognized as assets and liabilities on the balance sheet. Recognition of these lease assets and lease liabilities represents a change from previous generally accepted accounting principles (GAAP), which did not require lease assets and lease liabilities to be recognized for operating leases. Qualitative disclosures along with specific quantitative disclosures will be required to provide enough information to supplement the amounts recorded in the financial statements so that users can understand more about the nature of an entity's leasing activities.

The United Way will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that the United Way may elect to apply. At adoption, the United Way will recognize a right-of-use asset and a lease liability initially measured at the present value of its operating lease payments. The United Way is currently evaluating the impacts of adopting this guidance on its financial position, results of operations and cash flows.

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

2. Summary of significant accounting policies (continued):

Recently issued accounting standards (continued):

Not-for-profit entities:

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which provides more relevant information about available resources (and the changes in those resources) to donors, grantors, creditors and other users. The most significant aspects of the ASU are as follows: (1) the ASU replaces the current presentation of three classes of net assets (unrestricted, temporarily restricted and permanently restricted) with two classes of net assets – net assets with donor restrictions and net assets without donor restrictions, as well as the currently required amount for total net assets, (2) the ASU expands the disclosures about the nature and amount of any donor restrictions, board designations of net assets without donor restrictions, as well as any underwater endowment funds, (3) the ASU requires expenses to be presented by nature and function, as well as an analysis of the allocation of these expenses and (4) the ASU requires specific quantitative and qualitative disclosures to improve the ability of financial statement users to assess the entity's available financial resources and the methods by which it manages liquidity and liquidity risk. ASU 2016-14 is to be applied retrospectively and is effective for years beginning after December 15, 2017. The United Way will be evaluating the impact this standard will have on its financial statements and related disclosures.

3. Fair value measurements:

The Organization follows FASB ASC 820, *Fair Value Measurement*, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP) and requires expanded disclosures about fair value measurements. ASC 820 establishes a hierarchy that ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets carried at fair value to be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices in active markets for identical assets
- Level 2 – Directly or indirectly observable inputs other than Level 1 quoted prices
- Level 3 – Unobservable inputs not corroborated by market data

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

3. Fair value measurements (continued):

For financial instruments that have quoted market prices in active markets, the Organization uses the quoted market prices as fair values and includes those financial instruments in Level 1 of the fair value hierarchy. When quoted market prices in active markets are not available, various pricing services are used to determine fair value and financial instruments are included in Level 2 of the fair value hierarchy. The beneficial interest in perpetual trust held by third parties is measured using the fair value of the assets held in the trust as reported by the trustee and is considered Level 2 measurements since the Organization does not have the ability to direct the trustee to liquidate those assets. The Organization considers its financial instruments to be Level 1 and Level 2 assets at March 31, 2018 and 2017.

The following tables present the Organization's assets that are measured at fair value on a recurring basis at March 31, 2018 and 2017, consistent with the fair value hierarchy provisions of ASC 820:

Description	Total	Fair value measurements at March 31, 2018 using	
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
Investments:			
Cash equivalents held by a broker	\$ 227,016		
Certificates of deposit held by a broker	3,835,963		
Exchange traded funds	2,082,944	\$ 2,082,944	
Corporate bonds	482,559	482,559	
Foundation investments:			
Cash equivalents held by a broker	177,072	177,072	
Fixed income securities	1,450,300	1,450,300	
Alternative investment funds	644,164	644,164	
Mutual funds	2,519,765	2,519,765	
Equity securities	1,765,891	1,765,891	
Beneficial interests held by third parties	12,735,834		\$ 12,735,834
Total	<u>\$ 25,921,508</u>	<u>\$ 9,122,695</u>	<u>\$ 12,735,834</u>

**UNITED WAY OF THE CAPITAL REGION AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

3. Fair value measurements (continued):

Description	Total	Fair value measurements at March 31, 2017 using	
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
Investments:			
Cash equivalents held by a broker	\$ 49,732		
Certificates of deposit held by a broker	2,976,743		
Exchange traded funds	2,049,796	\$ 2,049,796	
Corporate bonds	734,332	734,332	
Foundation investments:			
Cash equivalents held by a broker	438,309	438,309	
Fixed income securities	1,396,516	1,396,516	
Alternative investment funds	1,005,582	1,005,582	
Mutual funds	1,980,967	1,980,967	
Equity securities	1,793,826	1,793,826	
Beneficial interests held by third parties	<u>12,112,454</u>		<u>\$ 12,112,454</u>
Total	<u>\$ 24,538,257</u>	<u>\$ 9,399,328</u>	<u>\$ 12,112,454</u>

4. Concentrations:

The Organization maintains cash and cash equivalent deposits with a financial institution in excess of the current federally insured limitations. Cash and cash equivalents of approximately \$1,300,000 at March 31, 2018 are in excess of the Federal Deposit Insurance Corporation (FDIC) coverage limits. The Organization's investments are in high quality institutions with good credit ratings. The Organization has not experienced any losses in such accounts or investments that are subject to credit risk and believes it is not exposed to any significant credit risk pertaining to cash and cash equivalents and investments.

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

5. Investments:

Investments at March 31, 2018 and 2017 were as follows:

	March 31, 2018			March 31, 2017		
	Cost	Fair value	Unrealized appreciation (depreciation)	Cost	Fair value	Unrealized appreciation (depreciation)
United Way of the Capital Region:						
Cash equivalents held by a broker	\$ 227,016	\$ 227,016	\$ -	\$ 49,732	\$ 49,732	\$ -
Certificates of deposit, original maturities of:						
Less than 1 year	1,580,000	1,581,497	1,497	880,000	886,300	6,300
1 to 2 years	1,427,000	1,415,130	(11,870)	759,000	760,883	1,883
2 to 3 years	845,000	839,336	(5,664)	1,327,000	1,329,560	2,560
Exchange traded funds	1,817,839	2,082,944	265,105	1,869,231	2,049,796	180,565
Bonds (original maturities of 5 to 10 years)	491,374	482,559	(8,815)	737,740	734,332	(3,408)
	<u>\$ 6,388,229</u>	<u>\$ 6,628,482</u>	<u>\$ 240,253</u>	<u>\$ 5,622,703</u>	<u>\$ 5,810,603</u>	<u>\$ 187,900</u>
United Way Foundation:						
Cash equivalents held by a broker	\$ 177,072	\$ 177,072	\$ -	\$ 438,309	\$ 438,309	\$ -
Fixed income securities	1,507,853	1,450,300	(57,553)	1,439,843	1,396,516	(43,327)
Alternative investment funds	691,494	644,164	(47,330)	1,103,825	1,005,582	(98,243)
Mutual funds	2,239,252	2,519,765	280,513	1,829,832	1,980,967	151,135
Equity securities	1,613,039	1,765,891	152,852	1,414,421	1,793,826	379,405
	<u>\$ 6,228,710</u>	<u>\$ 6,557,192</u>	<u>\$ 328,482</u>	<u>\$ 6,226,230</u>	<u>\$ 6,615,200</u>	<u>\$ 388,970</u>

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

6. Uncollectible pledges:

The provision for uncollectible pledges is computed based upon a three-year historical average. A 4.5% rate was used to calculate the provision for both the 2017 and 2016 campaigns on undesignated pledges.

The allowance for uncollectible pledges at March 31, 2018 is comprised of \$207,025 pertaining to the fall 2017 campaign, \$40,937 pertaining to the fall 2016 campaign and \$10,873 pertaining to the fall 2015 campaign.

7. Cost deduction standards:

The United Way of the Capital Region calculates the average administrative and fundraising costs from the three most recent Internal Revenue Service Form 990 returns as follows:

	<u>March 31, 2018</u>	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Fundraising cost	8.3%	7.6%	7.8%
Management and general cost	6.2%	5.7%	4.9%

In compliance with United Way of America's Cost Deduction Standards and as approved by the Board of Directors, amounts are deducted from pledges designated to specific nonprofit agencies or other United Ways to partially reimburse costs as follows unless other contractual arrangements are in place:

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Fundraising cost	0%	0%
Management and general cost	0%	0%

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

7. Cost deduction standards (continued):

Corporate Cornerstones Program:

For the 2017 and 2016 campaign years, the Organization was able to distribute 100% of the money raised in the community due to a group of corporate donors who made contributions, along with the perpetual trust and investment income, that were used to cover the total fundraising and administrative costs for the 2017 and 2016 campaign years. Funds from this program are evaluated annually to determine the coverage of overhead expenses for each campaign year. Amounts available from the Corporate Cornerstones Program and perpetual trust and investment income in excess of the fundraising and administrative costs in a given year will be used for allocations to agencies.

8. Land, building and equipment and accumulated depreciation:

The costs and related accumulated depreciation of land, building and equipment as of March 31, 2018 and 2017 were as follows:

	2018	2017
Land	\$ 134,000	\$ 134,000
Building and improvements	1,669,446	1,663,374
Office furniture and equipment	447,000	427,575
	2,250,446	2,224,949
Less accumulated depreciation	1,055,985	986,137
	\$ 1,194,461	\$ 1,238,812

**UNITED WAY OF THE CAPITAL REGION AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

9. Beneficial interests:

The Organization is the beneficiary of several trusts held by third parties, including the Foundation for Enhancing Communities and various local banks, which hold funds in trust for the Organization. On an annual basis, the Organization places a value on the beneficial interests based on the quoted market value of the investments held in trust. The amounts recorded in the Organization's statements of financial position as of March 31, 2018 and 2017 include the following:

	2018	2017
Ross and Sarah Rhoads Foundation	\$ 11,516,851	\$ 10,931,046
United Way Combined Perpetual Trust	536,328	514,787
Harry Alwine Residuary Trust	355,886	353,895
Robert D. and Barbara Hanson Funds	71,675	95,709
Fritz and Belle Nelson Trust	80,705	79,371
Various other trusts	174,389	137,646
	\$ 12,735,834	\$ 12,112,454

The trusts were established by persons, wills, living trust agreements and court decrees with various restrictions. The entire balance is reported as a component of permanently restricted net assets.

The Organization received the income earned on the funds for 2018 and 2017 of \$561,689 and \$561,946, respectively.

The Organization recorded unrealized gains of \$623,380 and \$797,082 pertaining to the trusts for the years ended March 31, 2018 and 2017, respectively.

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

10. Designations payable and community initiatives:

The board of directors identified and approved the following critical areas initiatives of focus to drive the Organization's work over the coming years:

- Education – Disparities in school readiness and school achievement.
- Health – Lack of access to health care.
- Income – Children and families living in poverty.
- Basic Needs – Increase in the number of families needing safety net services.

The Organization convened separate expert community task forces for each of these critical area initiatives. For the 2016 campaign, solicitations began that allowed donors to designate funds to these community initiatives. \$544,817 was designated to the community initiatives during the fiscal year ended March 31, 2018 and is reported as a temporarily restricted current year campaign revenue. The corresponding amount for the year ended March 31, 2017 was \$422,931.

**UNITED WAY OF THE CAPITAL REGION AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

11. Endowment related activities:

Changes in endowment-related activities for the years ended March 31, 2018 and 2017 are as follows:

	Beneficial interests held by third parties	Permanently restricted Foundation net assets	Total permanently restricted net assets	Unrestricted Foundation net assets	Temporarily restricted Foundation net assets
April 1, 2016	\$ 11,315,372	\$ 5,111,248	\$ 16,426,620	\$ 624,692	\$ 656,962
Net investment income	561,946		561,946	46,631	349,109
Unrealized gain	797,082		797,082	21,308	179,557
Contributions				899	
Reclassification		(10,000)	(10,000)	10,000	
Appropriated for expenditure	(561,946)		(561,946)	172,909	(548,961)
March 31, 2017	12,112,454	5,101,248	17,213,702	876,439	636,667
Net investment income	561,689		561,689	46,324	355,631
Unrealized gain (loss)	623,380		623,380	(2,692)	(57,796)
Contributions				95,124	
Appropriated for expenditure	(561,689)		(561,689)	(84,710)	(219,078)
March 31, 2018	<u>\$ 12,735,834</u>	<u>\$ 5,101,248</u>	<u>\$ 17,837,082</u>	<u>\$ 930,485</u>	<u>\$ 715,424</u>

**UNITED WAY OF THE CAPITAL REGION AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

12. Retirement plan:

The Organization has a defined contribution plan that operates under Section 401(k) of the Internal Revenue Code. The plan contribution matching percentage for the Organization is 100% of employee contributions up to a maximum of 3% of salary. In addition, the Organization contributes an amount equal to 5% of salary each calendar year-end for employees who have completed 1,000 hours of work during the year and were born in 1955 and after. For employees who were born prior to 1955, who have worked 1,000 hours during the year and who were employed on January 1, 2001, an amount equal to 10% of their salary is contributed. Plan contributions were \$91,250 and \$88,580 for the years ended March 31, 2018 and 2017, respectively.

13. Net assets:

Net assets at March 31, 2018 and 2017 consist of the following:

	2018	2017
Unrestricted net assets:		
Designated for capital improvements	\$ 282,339	\$ 282,339
Designated for Community Initiatives	519,325	
United Way Foundation	930,485	876,439
Undesignated	4,424,921	3,672,384
Total unrestricted net assets	\$ 6,157,070	\$ 4,831,162
Temporarily restricted net assets:		
Purpose restrictions:		
United Way Foundation		
legacy funds, endowment income and		
appreciation net of appropriated expenditures	\$ 715,424	\$ 636,667
Community initiatives	702,961	422,931
Time restrictions:		
Future campaigns	530,472	449,480
Campaign contingency fund	180,000	180,000
For subsequent years' use for:		
Allocations	2,626,810	3,086,890
Operations	1,183,607	1,560,299
Total temporarily restricted net assets	\$ 5,939,274	\$ 6,336,267

**UNITED WAY OF THE CAPITAL REGION AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

13. Net assets (continued):

	2018	2017
Permanently restricted net assets:		
Beneficial interests held by third parties, United Way of the Capital Region	\$ 12,735,834	\$ 12,112,454
The Foundation's donor restricted funds:		
Spong fund	1,371,861	1,371,861
Sinon Family fund	3,729,387	3,729,387
Total permanently restricted net assets	\$ 17,837,082	\$ 17,213,702

14. 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 or implied by donors in the following periods:

	2018	2017
Time restrictions expired, used for allocations and operations in subsequent year	\$ 4,951,146	\$ 5,118,175
Purpose restrictions accomplished:		
Payout per spending policy	178,022	516,421
Community initiatives	264,787	
Management and administration expense fee	41,056	32,540
	483,865	548,961
	\$ 5,435,011	\$ 5,667,136

**UNITED WAY OF THE CAPITAL REGION AND
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

15. Prior period adjustment:

The Organization changed the presentation of donor designated amounts for community initiatives for the year ended March 31, 2017. Consequently, amounts previously shown as designations payable of \$422,931 were restated to be temporarily restricted contributions.

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2018

	United Way	Foundation	Elimination	Consolidated
ASSETS				
Cash and cash equivalents	\$ 1,553,756	\$ 77,534		\$ 1,631,290
United Way investments	6,628,482			6,628,482
Foundation investments		6,557,192		6,557,192
Pledges receivable, net	6,025,982			6,025,982
Other receivables and prepaid expenses	72,782	34,421	\$ (21,522)	85,681
Land, building and equipment, net	1,194,461			1,194,461
Cash surrender value of life insurance policies		78,010		78,010
Beneficial interests held by third parties	12,735,834			12,735,834
Total assets	<u>\$ 28,211,297</u>	<u>\$ 6,747,157</u>	<u>\$ (21,522)</u>	<u>\$ 34,936,932</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Short-term payables	\$ 197,240			\$ 197,240
Allocations and grants payable				
Designations payable	4,539,191		\$ (21,522)	4,517,669
Processed pledges payable	288,597			288,597
Total liabilities	<u>5,025,028</u>		<u>(21,522)</u>	<u>5,003,506</u>
Net assets:				
Unrestricted	5,226,585	\$ 930,485		6,157,070
Temporarily restricted	5,223,850	715,424		5,939,274
Permanently restricted	12,735,834	5,101,248		17,837,082
Total net assets	<u>23,186,269</u>	<u>6,747,157</u>		<u>29,933,426</u>
Total liabilities and net assets	<u>\$ 28,211,297</u>	<u>\$ 6,747,157</u>	<u>\$ (21,522)</u>	<u>\$ 34,936,932</u>

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2017

	<u>United Way</u>	<u>Foundation</u>	<u>Elimination</u>	<u>Consolidated</u>
ASSETS				
Cash and cash equivalents	\$ 1,176,315	\$ 6,986		\$ 1,183,301
United Way investments	5,810,603			5,810,603
Foundation investments		6,615,200		6,615,200
Pledges receivable, net	5,735,103		\$ (13,287)	5,721,816
Other receivables and prepaid expenses	340,618	13,651	(86,911)	267,358
Land, building and equipment, net	1,238,812			1,238,812
Cash surrender value of life insurance policies		75,828		75,828
Beneficial interests held by third parties	12,112,454			12,112,454
	<u>12,112,454</u>	<u>75,828</u>		<u>12,112,454</u>
Total assets	<u>\$ 26,413,905</u>	<u>\$ 6,711,665</u>	<u>\$ (100,198)</u>	<u>\$ 33,025,372</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Short-term payables	\$ 234,168	\$ 97,311	\$ (97,311)	\$ 234,168
Designations payable	4,006,793		(2,887)	4,003,906
Processed pledges payable	406,167			406,167
	<u>4,647,128</u>	<u>97,311</u>	<u>(100,198)</u>	<u>4,644,241</u>
Total liabilities	<u>4,647,128</u>	<u>97,311</u>	<u>(100,198)</u>	<u>4,644,241</u>
Net assets:				
Unrestricted	3,940,907	876,439	13,816	4,831,162
Temporarily restricted	5,713,416	636,667	(13,816)	6,336,267
Permanently restricted	12,112,454	5,101,248		17,213,702
	<u>21,766,777</u>	<u>6,614,354</u>	<u>-</u>	<u>28,381,131</u>
Total net assets	<u>21,766,777</u>	<u>6,614,354</u>	<u>-</u>	<u>28,381,131</u>
Total liabilities and net assets	<u>\$ 26,413,905</u>	<u>\$ 6,711,665</u>	<u>\$ (100,198)</u>	<u>\$ 33,025,372</u>

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2018

	United Way			Foundation				Eliminations	Consolidated
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted		
Public support and revenue:									
Campaign results:									
Future years		\$ 530,472		\$ 530,472					\$ 530,472
Current year		8,995,113		8,995,113				\$ (13,599)	8,981,514
Corporate Cornerstones		830,773		830,773					830,773
Prior years	\$ 205,629			205,629					205,629
Less:									
Donor designations	(112,511)	(5,527,954)		(5,640,465)				58,817	(5,581,648)
Provision for uncollectibles		(187,262)		(187,262)					(187,262)
Net campaign revenue	93,118	4,641,142		4,734,260				45,218	4,779,478
Perpetual trust income	742,822			742,822				(181,133)	561,689
Other United Way designations	67,172	26,193		93,365					93,365
Bequests and other contributions	400	58,817		59,217	\$ 95,124		\$ 95,124	(58,817)	95,524
Grants	77,799			77,799					77,799
Donated goods	36,449			36,449					36,449
Donated advertising and services	66,857			66,857					66,857
Investment income	182,825			182,825	23,169	\$ 178,342		201,511	384,336
Realized gain on investments					23,155	177,289		200,444	200,444
Unrealized gain (loss) on investments	52,353		\$ 623,380	675,733	(2,692)	(57,796)		(60,488)	615,245
Other revenue	315,674	215		315,889				(63,000)	252,889
Net assets released from restriction:									
Expiration of time restriction	4,951,146	(4,951,146)		-					-
Expiration of purpose restriction	264,787	(264,787)		-	219,078	(219,078)		-	-
Total public support and revenue	6,851,402	(489,566)	623,380	6,985,216	357,834	78,757		436,591	7,164,075

(continued)

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED MARCH 31, 2018

	United Way				Foundation				Eliminations	Consolidated
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total		
Allocations and expenses:										
Funds allocated to agencies	\$ 2,745,499			\$ 2,745,499						\$ 2,745,499
Donated goods allocated to agencies	1,278			1,278						1,278
Community response grants	44,028			44,028	\$ 262,732			\$ 262,732	\$ (257,732)	49,028
Total allocations	2,790,805			2,790,805	262,732			262,732	(257,732)	2,795,805
Functional expenses:										
Program services	958,016			958,016						958,016
Fundraising	1,032,022			1,032,022						1,032,022
Organizational administration	784,881			784,881	41,056			41,056		825,937
Total functional expenses	2,774,919			2,774,919	41,056			41,056		2,815,975
Total allocations and expenses	5,565,724			5,565,724	303,788			303,788	(257,732)	5,611,780
Changes in net assets	1,285,678	\$ (489,566)	\$ 623,380	1,419,492	54,046	\$ 78,757		132,803	-	1,552,295
Net assets:										
Beginning of year	3,940,907	5,713,416	12,112,454	21,766,777	876,439	636,667	\$ 5,101,248	6,614,354		28,381,131
End of year	\$ 5,226,585	\$ 5,223,850	\$ 12,735,834	\$ 23,186,269	\$ 930,485	\$ 715,424	\$ 5,101,248	\$ 6,747,157	\$ -	\$ 29,933,426

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2017

	United Way			Foundation				Eliminations	Consolidated	
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted			Total
Public support and revenue:										
Campaign results:										
Future years		\$ 449,480		\$ 449,480					\$ 449,480	
Current year		9,923,605		9,923,605				\$ (13,816)	9,909,789	
Corporate Cornerstones		926,352		926,352					926,352	
Prior years	\$ 123,829			123,829					123,829	
Less:										
Donor designations		(5,672,505)		(5,672,505)					(5,672,505)	
Provision for uncollectibles		(231,180)		(231,180)					(231,180)	
Net campaign revenue	123,829	5,395,752		5,519,581				(13,816)	5,505,765	
Perpetual trust income	746,831			746,831				(184,885)	561,946	
Other United Way designations	44,107	66,522		110,629					110,629	
Bequests and other contributions					\$ 899			\$ 899	899	
Grants	255,744			255,744				(144,811)	110,933	
Donated goods	67,149			67,149					67,149	
Donated advertising and services	94,573			94,573					94,573	
Investment income	116,342			116,342	17,798	\$ 137,464		155,262	271,604	
Realized gain on investments					28,833	211,645		240,478	240,478	
Unrealized gain on investments	219,502		\$ 797,082	1,016,584	21,308	179,557		200,865	1,217,449	
Other revenue	174,841			174,841					174,841	
Reclassification					10,000		\$ (10,000)		-	
Net assets released from restriction:										
Expiration of time restriction	5,118,175	(5,118,175)		-					-	
Expiration of purpose restriction					548,961	(548,961)		-	-	
Total public support and revenue	6,961,093	344,099	797,082	8,102,274	627,799	(20,295)	(10,000)	597,504	(343,512)	8,356,266

(continued)

**UNITED WAY OF THE CAPITAL REGION AND
UNITED WAY FOUNDATION OF THE CAPITAL REGION**

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED MARCH 31, 2017

	United Way			Foundation				Eliminations	Consolidated	
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted			Total
Allocations and expenses:										
Funds allocated to agencies	\$ 4,136,266			\$ 4,136,266					\$ 4,136,266	
Donated goods allocated to agencies	28,443			28,443					28,443	
Community response grants	20,000			20,000	\$ 343,512			\$ 343,512	\$ (343,512)	20,000
Total allocations	4,184,709			4,184,709	343,512			343,512	(343,512)	4,184,709
Functional expenses:										
Program services	828,549			828,549						828,549
Fundraising	1,060,881			1,060,881						1,060,881
Organizational administration	820,354			820,354	32,540			32,540		852,894
Total functional expenses	2,709,784			2,709,784	32,540			32,540		2,742,324
Total allocations and expenses	6,894,493			6,894,493	376,052			376,052	(343,512)	6,927,033
Changes in net assets	66,600	\$ 344,099	\$ 797,082	1,207,781	251,747	\$ (20,295)	\$ (10,000)	221,452	-	1,429,233
Net assets:										
Beginning of year	3,874,307	5,369,317	11,315,372	20,558,996	624,692	656,962	5,111,248	6,392,902		26,951,898
End of year	\$ 3,940,907	\$ 5,713,416	\$ 12,112,454	\$ 21,766,777	\$ 876,439	\$ 636,667	\$ 5,101,248	\$ 6,614,354	\$ -	\$ 28,381,131