

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

**YEARS ENDED
MARCH 31, 2019 AND 2018**

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

YEARS ENDED MARCH 31, 2019 AND 2018

TABLE OF CONTENTS

	Page
Independent auditors' report	1-2
Consolidated financial statements:	
Statements of financial position	3
Statements of activities	4-5
Statements of functional expenses	6-7
Statements of cash flows	8-9
Notes to consolidated financial statements	10-28
Accompanying information:	
Consolidating statements of financial position	29-30
Consolidating statements of activities	31-34



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, 2019 and 2018, 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 the Organization as of March 31, 2019 and 2018, 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 Steidman & Fritz

Camp Hill, Pennsylvania
June 11, 2019

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – MARCH 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 2,302,502	\$ 1,631,290
United Way investments	6,588,490	6,628,482
Pledges receivable, less allowance for uncollectible pledges of \$203,730 and \$258,835 for 2019 and 2018, respectively	5,145,095	6,025,982
Other receivables and prepaid expenses	117,037	85,681
Land, building and equipment, net	1,200,630	1,194,461
Cash surrender value of life insurance policies	77,979	78,010
Foundation investments	6,595,778	6,557,192
Beneficial interests held by third parties	12,441,746	12,735,834
Total assets	\$ 34,469,257	\$ 34,936,932
LIABILITIES AND NET ASSETS		
Liabilities:		
Short-term payables	\$ 199,796	\$ 197,240
Allocations and grants payable	1,621	
Designations payable	3,765,638	4,517,669
Processed pledges payable	251,197	288,597
Total liabilities	4,218,252	5,003,506
Net assets:		
Without donor restrictions	7,624,494	7,128,591
With donor restrictions	22,626,511	22,804,835
Total net assets	30,251,005	29,933,426
Total liabilities and net assets	\$ 34,469,257	\$ 34,936,932

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, 2019 AND 2018

	2019			2018		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Public support and revenue:						
Contributions to active campaigns	\$ 384,319	\$ 9,478,562	\$ 9,862,881	\$ 192,030	\$ 10,356,358	\$ 10,548,388
Less:						
Donor designations		(5,072,829)	(5,072,829)	(112,511)	(5,469,137)	(5,581,648)
Provision for uncollectibles	(182,140)	(29,096)	(211,236)		(187,262)	(187,262)
Net campaign revenue	202,179	4,376,637	4,578,816	79,519	4,699,959	4,779,478
Perpetual trust income	598,220		598,220	561,689		561,689
Other United Way designations	44,536	38,446	82,982	67,172	26,193	93,365
Bequests and other contributions	15,850		15,850	95,524		95,524
Grants	50,490	6,539	57,029	77,799		77,799
Donated goods	49,711		49,711	36,449		36,449
Donated advertising and services	50,771		50,771	66,857		66,857
Investment income	276,943		276,943	384,336		384,336
Realized gain on investments	428,648		428,648	200,444		200,444
Unrealized gain (loss) on investments	(286,796)	(294,088)	(580,884)	(8,135)	623,380	615,245
Other revenue	212,108	3,666	215,774	252,674	215	252,889
Reclassifications						
Net assets released from restriction:						
Expiration of time restriction	3,537,059	(3,537,059)	-	4,951,146	(4,951,146)	-
Expiration of purpose restriction	772,465	(772,465)	-	278,386	(278,386)	-
Total public support and revenue	5,952,184	(178,324)	5,773,860	7,043,860	120,215	7,164,075

(continued)

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

CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)

YEARS ENDED MARCH 31, 2019 AND 2018

	2019			2018		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Allocations and expenses:						
Funds allocated to agencies	\$ 1,956,449		\$ 1,956,449	\$ 2,745,499		\$ 2,745,499
Donated goods allocated to agencies	1,984		1,984	1,278		1,278
Community response grants	66,507		66,507	49,028		49,028
Total allocations	<u>2,024,940</u>		<u>2,024,940</u>	<u>2,795,805</u>		<u>2,795,805</u>
Functional expenses:						
Program services	1,519,842		1,519,842	958,016		958,016
Fundraising	1,139,405		1,139,405	1,032,022		1,032,022
Organizational administration	772,094		772,094	825,937		825,937
Total functional expenses	<u>3,431,341</u>		<u>3,431,341</u>	<u>2,815,975</u>		<u>2,815,975</u>
Total allocations and expenses	<u>5,456,281</u>		<u>5,456,281</u>	<u>5,611,780</u>		<u>5,611,780</u>
Changes in net assets	495,903	\$ (178,324)	317,579	1,432,080	\$ 120,215	1,552,295
Net assets:						
Beginning of year	<u>7,128,591</u>	<u>22,804,835</u>	<u>29,933,426</u>	<u>5,696,511</u>	<u>22,684,620</u>	<u>28,381,131</u>
End of year	<u>\$ 7,624,494</u>	<u>\$ 22,626,511</u>	<u>\$ 30,251,005</u>	<u>\$ 7,128,591</u>	<u>\$ 22,804,835</u>	<u>\$ 29,933,426</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, 2019

	Program services						Support services			
	Contact to Care	Ready for School Ready to Succeed	Road to Success	Community service support hub	Community impact and basic needs	Volunteer center	Total	Organizational administration	Fundraising	Total
Salaries					\$ 334,955	\$ 50,602	\$ 385,557	\$ 426,606	\$ 576,496	\$ 1,388,659
Employee benefits					79,856	15,904	95,760	101,812	96,056	293,628
Payroll taxes					29,946	4,047	33,993	36,411	48,656	119,060
Total salaries and benefits					444,757	70,553	515,310	564,829	721,208	1,801,347
Professional fees		\$ 1,500		\$ 5,433	25,024	250	32,207	40,247	12,090	84,544
Supplies, computers	\$ 456	1,463	\$ 111		30,993	59	33,082	27,296	53,354	113,732
Program expenses	208,933	322,838	120,563	78,272	2,271	52,306	785,183	1,099	73,929	860,211
Telephone and internet					3,332		3,332	3,430	4,009	10,771
Postage and shipping	2	435			2,792	21	3,250	2,351	4,888	10,489
Occupancy					21,433	20	21,453	20,428	25,252	67,133
Audio-visual aids		300	115		3,000		3,415		36,997	40,412
Donated advertising and services					5,000		5,000		28,100	33,100
Printing and publications	991	781	195		16,192	6,060	24,219	11,743	52,562	88,524
Travel	1,395	2,543	190		1,607	980	6,715	1,385	10,886	18,986
Conferences, meetings and training	310	502		41	3,493	67	4,413	6,896	2,131	13,440
Dues and subscriptions					52		52	2,727	2,948	5,727
Awards	2,426	4,703	2,401		678		10,208	106	38,951	49,265
Miscellaneous	306	281			2,239	1,270	4,096	1,037	637	5,770
Depreciation					25,142		25,142	16,917	21,151	63,210
Investment management fee								31,353		31,353
Dues to:										
United Way of Pennsylvania					6,736		6,736	6,340	7,925	21,001
United Way of America					36,029		36,029	33,910	42,387	112,326
Total	\$ 214,819	\$ 335,346	\$ 123,575	\$ 83,746	\$ 630,770	\$ 131,586	\$ 1,519,842	\$ 772,094	\$ 1,139,405	\$ 3,431,341

(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, 2018

	Program services						Support services			
	Contact to Care	Ready for School Ready to Succeed	Road to Success	Community service support hub	Community impact and basic needs	Volunteer center	Total	Organizational administration	Fundraising	Total
Salaries					\$ 301,324	\$ 54,700	\$ 356,024	\$ 472,201	\$ 484,382	\$ 1,312,607
Employee benefits					70,191	17,451	87,642	96,286	98,372	282,300
Payroll taxes					26,448	4,759	31,207	38,776	40,493	110,476
Total salaries and benefits					397,963	76,910	474,873	607,263	623,247	1,705,383
Professional fees					20,387	978	21,365	39,275	11,413	72,053
Supplies, computers		\$ 320			22,099	1,550	23,969	21,671	53,354	98,994
Program expenses	\$ 84,370	99,604	\$ 31,985	\$ 25,000	2,824	38,635	282,418		69,596	352,014
Telephone and internet	60			9	2,852	449	3,370	3,910	4,241	11,521
Postage and shipping		147			3,015	309	3,471	3,865	4,986	12,322
Occupancy					18,780	2,565	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		500			14,042	6,000	20,542	10,934	40,264	71,740
Travel	193	1,264	401	67	3,487	1,027	6,439	1,762	9,599	17,800
Conferences, meetings and trainings		58		25	795	253	1,131	7,024	1,143	9,298
Dues and subscriptions					54	8	62	2,503	2,695	5,260
Awards					363	1,619	1,982	433	36,065	38,480
Miscellaneous			123		2,439	83	2,645	818	11,751	15,214
Depreciation					24,126		24,126	19,895	25,826	69,847
Investment management fee								40,107		40,107
Dues to:										
United Way of Pennsylvania					5,943		5,943	6,552	8,505	21,000
United Way of America					32,460		32,460	35,787	46,454	114,701
	<u>\$ 84,623</u>	<u>\$ 105,043</u>	<u>\$ 32,509</u>	<u>\$ 25,101</u>	<u>\$ 580,354</u>	<u>\$ 130,386</u>	<u>\$ 958,016</u>	<u>\$ 825,937</u>	<u>\$ 1,032,022</u>	<u>\$ 2,815,975</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, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 317,579	\$ 1,552,295
Adjustments:		
Depreciation	63,210	69,847
Unrealized net (gain) loss on investments and beneficial interests held by third parties	580,884	(615,245)
Realized gain on investments	(428,648)	(200,444)
Bequests to Foundation	(15,850)	(36,307)
Changes in assets and liabilities:		
(Increase) decrease in:		
Pledges receivable	880,887	(304,166)
Other	(31,356)	181,677
Increase (decrease) in:		
Short-term payables	2,556	(36,928)
Grants and allocations payable	1,621	
Designations and processed pledges payable	(789,431)	396,193
Total adjustments	263,873	(545,373)
Net cash provided by operating activities	581,452	1,006,922
Cash flows from investing activities:		
Sales (purchases) of investments, net	143,258	(567,562)
Purchases of land, building and equipment	(69,379)	(25,496)
(Increase) decrease in cash surrender value of life insurance policies	31	(2,182)
Net cash provided by (used in) investing activities	73,910	(595,240)

(continued)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED MARCH 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows provided by financing activities, bequests to Foundation	<u>\$ 15,850</u>	<u>\$ 36,307</u>
Net increase in cash and cash equivalents	671,212	447,989
Cash and cash equivalents:		
Beginning of year	<u>1,631,290</u>	<u>1,183,301</u>
End of year	<u><u>\$ 2,302,502</u></u>	<u><u>\$ 1,631,290</u></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, 2019 AND 2018

1. Description of activities and summary of significant accounting policies:

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's pilot projects are making a measurable impact on the lives of local individuals and families. The transition to this work began three years ago when United Way identified the most pressing needs and adopted a collective impact approach to solving problems with new and different partnerships. While all pilot projects are limited in scope, we will enhance and expand the projects to serve more people in rural, suburban and urban areas.

In September 2017, United Way and our community partners launched Ready for School, Ready to Succeed, a pilot project to prepare children academically and socially for kindergarten. The project employs early education liaisons. Their focus is through the lens of the school they work with to tailor approaches for school readiness. Research shows high-quality pre-K programs increase a child's chances of succeeding in school.

In November 2017, United Way and our community partners launched Contact to Care, a pilot project to help increase access to health care in the City of Harrisburg. The project employs community health workers to help individuals navigate the health care system, overcome barriers to care and connect with a primary medical home. Research shows when individuals use a primary medical home they are healthier and less reliant on emergency rooms for non-urgent issues.

In November 2017, United Way and our community partners launched the Road to Success, a pilot project to help the unemployed and underemployed obtain jobs where they can earn a living wage. Currently, 26 percent of local workers earn poverty-level wages. What makes this project unique is it's been developed through the lens of the employer and focuses on guiding an individual through the first year of work, as well as advancements in the workplace. The project includes wrap-around services, like transportation and child care, to help individuals stay on track. Currently, we are improving one-on-one counseling services to help more individuals become and stay employed.

Every community needs a support system for individuals and families to turn to in urgent and crisis situations. United Way supports programs and services to help vulnerable individuals and families. This encompasses: food insecurity, domestic violence shelters and legal assistance, homeless shelters and transitional housing, emergency services to include food, clothing and shelter following a disaster; help with heating and utility bills, rent assistance, medications and transportation to help individuals secure employment and remain employed, information, referrals and case management.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

1. Description of activities and summary of significant accounting policies (continued):

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 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 perpetual Endowment Funds are also restricted by the donor as perpetual in nature to preserve the original gift value and generate earnings for the Foundation Board to appropriate for expenditures as needed within the spending policy.

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

1. Description of activities and summary of significant accounting policies (continued):

Adoption of new accounting pronouncement:

In 2019, the United Way implemented Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The United Way has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative periods presented. The new standard changes the following aspects of the United Way's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The footnotes include a new disclosure about liquidity and availability of resources (Note 2).

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 support with donor restrictions. In the subsequent year, when allocations are committed to program partners, these net assets are reclassified to without donor restrictions due to expiration of the time restriction.

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 2018 and 2017 campaigns are reported at their full amount.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

1. Description of activities and summary of significant accounting policies (continued):

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 \$276,474 and \$305,230 for the 2018 and 2017 campaigns, respectively, 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.

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

1. Description of activities and summary of significant accounting policies (continued):

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.

Amounts for donated advertising time and materials have been recorded in the amount of \$33,100 and \$66,857 for 2019 and 2018, 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

1. Description of activities and summary of significant accounting policies (continued):

Foundation investments and endowments:

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 the original value of gifts donated to the endowment that are perpetual in nature and the original value of subsequent gifts made to the endowment as With Donor Restrictions. The earnings of the donor restricted endowment fund are classified as Without Donor Restrictions until those amounts are appropriated for expenditure by the Board of Directors.

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.

Beneficial interests in perpetual trusts held by third parties:

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

1. Description of activities and summary of significant accounting policies (continued):

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

Reclassification of prior year presentation:

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the total reported changes in net assets, however, certain reclassifications were made between changes in net assets without donor restrictions and net assets with donor restrictions. In addition, the 2018 beginning balances of net assets without donor restrictions and net assets with donor restrictions were restated as a result of net asset classification changes.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

1. Description of activities and summary of significant accounting policies (continued):

Recently issued accounting standards:

Revenue:

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 2020 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

YEARS ENDED MARCH 31, 2019 AND 2018

2. Financial assets and liquidity resources:

As of March 31, 2019 and 2018, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, payments on liabilities and purchases of property and equipment were as follows:

	2019	2018
Financial assets:		
Cash and cash equivalents	\$ 2,302,502	\$ 1,631,290
Pledges receivable	5,145,095	6,025,982
Other receivables	67,546	81,598
United Way investments	6,588,490	6,628,482
Foundation investments	6,595,778	6,557,192
Total financial assets	20,699,411	20,924,544
Less net assets with donor restrictions, time restricted:		
Future campaigns	(260,588)	(530,472)
Campaign contingency fund	(180,000)	(180,000)
Less net assets with donor restrictions, purpose restricted:		
United Way Foundation, legacy funds	(273,903)	(287,145)
United Way Foundation, Spong fund	(1,371,861)	(1,371,861)
United Way Foundation, Sinon Family fund	(3,729,387)	(3,729,387)
Less board designations for:		
Capital improvements	(214,139)	(282,339)
Total financial assets available within one year	\$ 14,669,533	\$ 14,543,340

The United Way maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

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 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

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, 2019 and 2018.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

3. Fair value measurements (continued):

The following tables present the Organization's assets that are measured at fair value on a recurring basis at March 31, 2019 and 2018, consistent with the fair value hierarchy provisions of ASC 820:

Description	Total	Fair value measurements at March 31, 2019 using	
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
Investments:			
Cash equivalents held by a broker	\$ 7,289		
Certificates of deposit held by a broker	3,379,556		
Certificates of deposit held by banks	550,107		
Exchange traded funds	2,172,167	\$ 2,172,167	
Corporate bonds	479,371	479,371	
Foundation investments:			
Cash equivalents held by a broker	232,822	232,822	
Fixed income securities	2,002,884	2,002,884	
Mutual funds	4,360,072	4,360,072	
Beneficial interests held by third parties	12,441,746		\$ 12,441,746
Total	\$ 25,626,014	\$ 9,247,316	\$ 12,441,746

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

3. Fair value measurements (continued):

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>

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 \$2,001,000 at March 31, 2019 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

YEARS ENDED MARCH 31, 2019 AND 2018

5. Investments:

Investments at March 31, 2019 and 2018 were as follows:

	March 31, 2019			March 31, 2018		
	Cost	Fair value	Unrealized appreciation (depreciation)	Cost	Fair value	Unrealized appreciation (depreciation)
United Way of the Capital Region:						
Cash equivalents held by a broker	\$ 7,289	\$ 7,289		\$ 227,016	\$ 227,016	
Certificates of deposit, original maturities of:						
Less than 1 year	1,972,000	1,979,328	\$ 7,328	1,580,000	1,581,497	\$ 1,497
1 to 2 years	1,366,000	1,364,491	(1,509)	1,427,000	1,415,130	(11,870)
2 to 3 years	570,000	585,844	15,844	845,000	839,336	(5,664)
Exchange traded funds	1,902,499	2,172,167	269,668	1,817,839	2,082,944	265,105
Bonds (original maturities of 5 to 10 years)	488,847	479,371	(9,476)	491,374	482,559	(8,815)
	<u>\$ 6,306,635</u>	<u>\$ 6,588,490</u>	<u>\$ 281,855</u>	<u>\$ 6,388,229</u>	<u>\$ 6,628,482</u>	<u>\$ 240,253</u>
United Way Foundation:						
Cash equivalents held by a broker	\$ 232,822	\$ 232,822		\$ 177,072	\$ 177,072	
Fixed income securities	1,963,888	2,002,884	\$ 38,996	1,507,853	1,450,300	\$ (57,553)
Alternative investment funds				691,494	644,164	(47,330)
Mutual funds	4,399,709	4,360,072	(39,637)	2,239,252	2,519,765	280,513
Equity securities				1,613,039	1,765,891	152,852
	<u>\$ 6,596,419</u>	<u>\$ 6,595,778</u>	<u>\$ (641)</u>	<u>\$ 6,228,710</u>	<u>\$ 6,557,192</u>	<u>\$ 328,482</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

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 2018 and 2017 campaigns on undesignated pledges.

The allowance for uncollectible pledges at March 31, 2019 is comprised of \$203,730 pertaining to the fall 2018 campaign and \$207,025 pertaining to the fall 2017 campaign.

7. Cost deduction standards:

The United Way calculates the average administrative and fundraising costs from the three most recent IRS Form 990 returns as follows:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Fundraising cost	9.0%	8.3%
Management and general cost	6.6%	6.2%

In compliance with United Way of Worldwide'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, 2019</u>	<u>March 31, 2018</u>
Fundraising cost	0%	0%
Management and general cost	1.5%	0%

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

8. Land, building and equipment and accumulated depreciation:

The costs and related accumulated depreciation of land, building and equipment as of March 31, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 134,000	\$ 134,000
Building and improvements	1,682,824	1,669,446
Office furniture and equipment	<u>503,000</u>	<u>447,000</u>
	2,319,824	2,250,446
Less accumulated depreciation	<u>1,119,194</u>	<u>1,055,985</u>
	<u><u>\$ 1,200,630</u></u>	<u><u>\$ 1,194,461</u></u>

9. Beneficial interests:

The Organization is the beneficiary of several trusts held by third parties. 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, 2019 and 2018 include the following:

	<u>2019</u>	<u>2018</u>
Ross and Sarah Rhoads Foundation	\$ 11,239,826	\$ 11,516,851
United Way Combined Perpetual Trust	519,131	536,328
Harry Alwine Residuary Trust	367,241	355,886
Robert D. and Barbara Hanson Funds	68,998	71,675
Fritz and Belle Nelson Trust	76,706	80,705
Various other trusts	<u>169,844</u>	<u>174,389</u>
	<u><u>\$ 12,441,746</u></u>	<u><u>\$ 12,735,834</u></u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

9. Beneficial interests (continued):

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 Foundation for Enhancing Communities and various local banks hold funds in trust for the Organization. The Organization received the income earned on the funds for 2019 and 2018 of \$598,220 and \$561,689, respectively.

The Organization recorded unrealized losses of \$294,088 for the year ended March 31, 2019 and unrealized gains of \$623,380 for the year ended March 31, 2018 pertaining to the trusts.

10. Endowment related activities:

Changes in endowment related activities for the years ended March 31, 2019 and 2018 are as follows:

	Beneficial interests held by third parties	Donor restricted Foundation net assets	Total donor restricted net assets	Foundation net assets without donor restrictions
April 1, 2017	\$ 12,112,454	\$ 5,401,992	\$ 17,514,446	\$ 1,212,362
Net investment income	561,689		561,689	401,955
Unrealized gain (loss)	623,380		623,380	(60,488)
Contributions				95,124
Reclassification				
Appropriated for expenditure	<u>(561,689)</u>	<u>(13,599)</u>	<u>(575,288)</u>	<u>(290,189)</u>
March 31, 2018	12,735,834	5,388,393	18,124,227	1,358,764
Net investment income	598,220		598,220	554,230
Unrealized loss	(294,088)		(294,088)	(319,470)
Contributions				34,135
Reclassification				
Appropriated for expenditure	<u>(598,220)</u>	<u>(13,242)</u>	<u>(611,462)</u>	<u>(314,190)</u>
March 31, 2019	<u>\$ 12,441,746</u>	<u>\$ 5,375,151</u>	<u>\$ 17,816,897</u>	<u>\$ 1,313,469</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

11. Retirement plan:

The Organization has a defined contribution plan that operates under Section 401(k) of the IRC. The plan offers a Safe Harbor contribution of 3% of earnings once an employee reaches eligibility. The plan also offers an employer matching percentage of 100% of employee contributions up to a maximum of 3% of salary. In addition, the Organization contributes an amount equal to 2% 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 \$94,745 and \$91,250 for the years ended March 31, 2019 and 2018, respectively.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

12. Net assets:

Net assets at March 31, 2019 and 2018 consist of the following:

	2019	2018
Net assets without donor restrictions		
Board designated for:		
Capital improvements	\$ 214,139	\$ 282,339
Community Initiatives	1,394,896	519,325
United Way Foundation	1,313,469	1,358,764
Undesignated	4,701,990	4,968,163
Total net assets without donor restrictions	\$ 7,624,494	\$ 7,128,591
Net assets with donor restrictions		
Purpose restrictions:		
Community Initiatives	\$ 650,738	\$ 702,961
United Way Foundation, legacy funds	273,903	287,145
United Way Foundation, Spong fund	1,371,861	1,371,861
United Way Foundation, Sinon Family fund	3,729,387	3,729,387
Beneficial interests held by third parties,		
United Way of the Capital Region	12,441,746	12,735,834
Time restrictions:		
Future campaigns	260,588	530,472
Campaign contingency fund	180,000	180,000
For subsequent years' use for:		
Allocations	1,476,205	1,950,000
Operations	2,242,083	1,317,175
Total net assets with donor restrictions	\$ 22,626,511	\$ 22,804,835

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2019 AND 2018

13. 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:

	<u>2019</u>	<u>2018</u>
Time restrictions expired, used for allocations and operations in subsequent year	<u>\$ 3,537,059</u>	<u>\$ 4,951,146</u>
Purpose restrictions accomplished:		
Legacy fund annual gift	13,242	13,599
Community initiatives	<u>759,223</u>	<u>264,787</u>
	<u>772,465</u>	<u>278,386</u>
	<u>\$ 4,309,524</u>	<u>\$ 5,229,532</u>

14. Subsequent events

The Organization has evaluated subsequent events through June 11, 2019, the date the financial statements were available to be issued.

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2019

(See independent auditors' report)

	United Way	Foundation	Elimination	Consolidated
ASSETS				
Cash and cash equivalents	\$ 2,302,502			\$ 2,302,502
United Way investments	6,588,490			6,588,490
Foundation investments		\$ 6,595,778		6,595,778
Pledges receivable, net	5,141,666	3,429		5,145,095
Other receivables and prepaid expenses	109,032	11,434	\$ (3,429)	117,037
Land, building and equipment, net	1,200,630			1,200,630
Cash surrender value of life insurance policies		77,979		77,979
Beneficial interests held by third parties	12,441,746			12,441,746
Total assets	\$ 27,784,066	\$ 6,688,620	\$ (3,429)	\$ 34,469,257
LIABILITIES AND NET ASSETS				
Liabilities:				
Short-term payables	\$ 199,796			\$ 199,796
Allocations and grants payable	1,621			1,621
Designations payable	3,769,067		\$ (3,429)	3,765,638
Processed pledges payable	251,197			251,197
Total liabilities	4,221,681		(3,429)	4,218,252
Net assets:				
Without donor restrictions	6,311,025	\$ 1,313,469		7,624,494
With donor restrictions	17,251,360	5,375,151		22,626,511
Total net assets	23,562,385	6,688,620		30,251,005
Total liabilities and net assets	\$ 27,784,066	\$ 6,688,620	\$ (3,429)	\$ 34,469,257

See notes to consolidated financial statements.

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2018

(See independent auditors' report)

	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
	<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
Designations payable	4,539,191		\$ (21,522)	4,517,669
Processed pledges payable	288,597			288,597
	<u>5,025,028</u>		<u>(21,522)</u>	<u>5,003,506</u>
Net assets:				
Without donor restrictions	5,769,827	\$ 1,358,764		7,128,591
With donor restrictions	17,416,442	5,388,393		22,804,835
	<u>23,186,269</u>	<u>6,747,157</u>	<u>-</u>	<u>29,933,426</u>
	<u>\$ 28,211,297</u>	<u>\$ 6,747,157</u>	<u>\$ (21,522)</u>	<u>\$ 34,936,932</u>

See notes to consolidated financial statements.

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

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2019
(See independent auditors' report)

	United Way			Foundation			Eliminations	Consolidated
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total		
Public support and revenue:								
Contributions to active campaigns	\$ 397,561	\$ 9,478,562	\$ 9,876,123				\$ (13,242)	\$ 9,862,881
Less:								
Donor designations	(18,057)	(5,072,829)	(5,090,886)				18,057	(5,072,829)
Provision for uncollectibles	(182,140)	(29,096)	(211,236)					(211,236)
Net campaign revenue	197,364	4,376,637	4,574,001				4,815	4,578,816
Perpetual trust income	777,041		777,041	\$ 228		\$ 228	(179,049)	598,220
Other United Way designations	44,536	38,446	82,982					82,982
Bequests and other contributions				33,907		33,907	(18,057)	15,850
Grants	153,904	6,539	160,443				(103,414)	57,029
Donated goods	49,711		49,711					49,711
Donated advertising and services	50,771		50,771					50,771
Investment income	151,361		151,361	125,582		125,582		276,943
Realized gain on investments				428,648		428,648		428,648
Unrealized gain (loss) on investments	32,674	(294,088)	(261,414)	(319,470)		(319,470)		(580,884)
Other revenue	212,108	3,666	215,774					215,774
Net assets released from restriction:								
Expiration of time restriction	3,537,059	(3,537,059)	-					
Expiration of purpose restriction	759,223	(759,223)	-	13,242	\$ (13,242)	-		
Total public support and revenue	5,965,752	(165,082)	5,800,670	282,137	(13,242)	268,895	(295,705)	5,773,860

(continued)

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

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED MARCH 31, 2019
(See independent auditors' report)

	United Way			Foundation			Eliminations	Consolidated
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total		
Allocations and expenses:								
Funds allocated to agencies	\$ 1,956,449		\$ 1,956,449					\$ 1,956,449
Donated goods allocated to agencies	1,984		1,984					1,984
Community response grants	66,507		66,507	\$ 295,705		\$ 295,705	\$ (295,705)	66,507
Total allocations	2,024,940		2,024,940	295,705		295,705	(295,705)	2,024,940
Functional expenses:								
Program services	1,519,467		1,519,467	375		375		1,519,842
Fundraising	1,139,405		1,139,405					1,139,405
Organizational administration	740,742		740,742	31,352		31,352		772,094
Total functional expenses	3,399,614		3,399,614	31,727		31,727		3,431,341
Total allocations and expenses	5,424,554		5,424,554	327,432		327,432	(295,705)	5,456,281
Changes in net assets	541,198	\$ (165,082)	376,116	(45,295)	\$ (13,242)	(58,537)	-	317,579
Net assets:								
Beginning of year	5,769,827	17,416,442	23,186,269	1,358,764	5,388,393	6,747,157		29,933,426
End of year	\$ 6,311,025	\$ 17,251,360	\$ 23,562,385	\$ 1,313,469	\$ 5,375,151	\$ 6,688,620	\$ -	\$ 30,251,005

See notes to consolidated financial statements.

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

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2018
(See independent auditors' report)

	United Way			Foundation			Eliminations	Consolidated
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total		
Public support and revenue:								
Contributions to active campaigns	\$ 205,629	\$ 10,356,358	\$ 10,561,987				\$ (13,599)	\$ 10,548,388
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	201,511		201,511		384,336
Realized gain on investments				200,444		200,444		200,444
Unrealized gain on investments	52,353	623,380	675,733	(60,488)		(60,488)		615,245
Other revenue	315,674	215	315,889				(63,000)	252,889
Reclassification								
Net assets released from restriction:								
Expiration of time restriction	4,951,146	(4,951,146)	-					
Expiration of purpose restriction	264,787	(264,787)	-	13,599	\$ (13,599)	-		
Total public support and revenue	6,851,402	133,814	6,985,216	450,190	(13,599)	436,591	(257,732)	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
(See independent auditors' report)

	United Way			Foundation			Eliminations	Consolidated
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	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	<u>2,790,805</u>		<u>2,790,805</u>	<u>262,732</u>		<u>262,732</u>	<u>(257,732)</u>	<u>2,795,805</u>
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	<u>2,774,919</u>		<u>2,774,919</u>	<u>41,056</u>		<u>41,056</u>		<u>2,815,975</u>
Total allocations and expenses	<u>5,565,724</u>		<u>5,565,724</u>	<u>303,788</u>		<u>303,788</u>	<u>(257,732)</u>	<u>5,611,780</u>
Changes in net assets	1,285,678	\$ 133,814	1,419,492	146,402	\$ (13,599)	132,803	-	1,552,295
Net assets:								
Beginning of year	<u>4,484,149</u>	<u>17,282,628</u>	<u>21,766,777</u>	<u>1,212,362</u>	<u>5,401,992</u>	<u>6,614,354</u>		<u>28,381,131</u>
End of year	<u>\$ 5,769,827</u>	<u>\$ 17,416,442</u>	<u>\$ 23,186,269</u>	<u>\$ 1,358,764</u>	<u>\$ 5,388,393</u>	<u>\$ 6,747,157</u>	<u>\$ -</u>	<u>\$ 29,933,426</u>

See notes to consolidated financial statements.