



United Way
of Central Carolinas

CONSOLIDATED FINANCIAL STATEMENTS
AND ACCOMPANYING INFORMATION

*As of and for the Years Ended June 30, 2017
and 2016*

And Report of Independent Auditor

UNITED WAY OF CENTRAL CAROLINAS
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Report of Independent Auditor

United Way of Central Carolinas, Inc.
Charlotte, North Carolina

We have audited the accompanying consolidated statements of financial position of United Way of Central Carolinas, Inc. (the "Organization") as of June 30, 2017 and 2016 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.

Auditor's 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

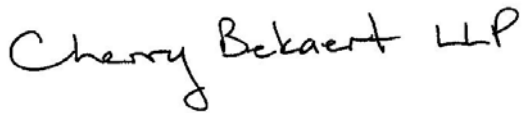
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The accompanying information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Charlotte, North Carolina
September 22, 2017

UNITED WAY OF CENTRAL CAROLINAS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 4,583,314	\$ 3,786,563
Campaign promises to give	7,967,975	9,197,709
Less allowance for uncollectible promises to give	(979,891)	(985,046)
Other receivables	91,363	138,375
Prepaid expenses and other assets	59,882	9,428
Investments	13,690,319	14,793,442
Property, net	355,652	313,870
Total Assets	\$ 25,768,614	\$ 27,254,341
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 575,244	\$ 172,817
Accrued compensation	163,639	214,903
Other liabilities and accrued expenses	205,639	222,036
Campaigns processed for others, net	410,751	623,139
Allocations payable to member agencies	14,681,037	14,716,674
Due to designated agencies	857,163	899,533
Total Liabilities	16,893,473	16,849,102
Net Assets:		
Unrestricted	7,337,109	9,012,935
Temporarily restricted	686,886	547,805
Permanently restricted	851,146	844,499
Total Net Assets	8,875,141	10,405,239
Total Liabilities and Net Assets	\$ 25,768,614	\$ 27,254,341

UNITED WAY OF CENTRAL CAROLINAS
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, Revenue, and Reclassifications:				
Additional 2015 campaign revenue	\$ 242,360	\$ -	\$ -	\$ 242,360
Less donor designations	(49,664)	-	-	(49,664)
Net 2015 campaign revenue	192,696	-	-	192,696
Gross 2016 campaign revenue	28,134,365	-	-	28,134,365
Less donor designations	(10,779,286)	-	-	(10,779,286)
Less provision for uncollectibles	(866,897)	-	-	(866,897)
Net 2016 campaign revenue	16,488,182	-	-	16,488,182
Gross 2017 campaign revenue	-	180,699	-	180,699
Less provision for uncollectibles	-	(9,035)	-	(9,035)
Net 2017 campaign revenue	-	171,664	-	171,664
Gross 2018 and 2019 campaign revenue	-	102,000	-	102,000
Less provision for uncollectibles	-	(5,100)	-	(5,100)
Net 2018 and 2019 campaign revenue	-	96,900	-	96,900
Designations from other United Ways	132,497	-	-	132,497
Grants and contractual program services	163,585	82,690	-	246,275
Sponsorships	206,549	-	-	206,549
Administrative services	234,113	-	-	234,113
Rental income	140,239	-	-	140,239
Investment income, net	1,353,338	105,616	-	1,458,954
Gifts-in-kind	163,238	-	-	163,238
Other contributions	683,832	-	6,647	690,479
Reclassifications:				
Expiration of time restrictions	288,595	(288,595)	-	-
Satisfaction of purpose restrictions	29,194	(29,194)	-	-
Total Support, Revenue, and Reclassifications	20,076,058	139,081	6,647	20,221,786
Expenses:				
Program Services:				
Community Investment	16,487,934	-	-	16,487,934
Information and referral services	159,835	-	-	159,835
Volunteer Center	579,670	-	-	579,670
Other Programs	66,977	-	-	66,977
Supporting Services:				
Fundraising	2,289,066	-	-	2,289,066
Management and general	2,246,893	-	-	2,246,893
Total Expenses	21,830,375	-	-	21,830,375
Change in net assets before gain				
on asset acquisition - Hands on Charlotte	(1,754,317)	139,081	6,647	(1,608,589)
Gain on asset acquisition - Hands on Charlotte	78,491	-	-	78,491
Change in net assets	(1,675,826)	139,081	6,647	(1,530,098)
Net assets, beginning	9,012,935	547,805	844,499	10,405,239
Net assets, ending	\$ 7,337,109	\$ 686,886	\$ 851,146	\$ 8,875,141

UNITED WAY OF CENTRAL CAROLINAS
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, Revenue, and Reclassifications:				
Additional 2014 campaign revenue	\$ 57,689	\$ -	\$ -	\$ 57,689
Less donor designations	(42,188)	-	-	(42,188)
Net 2014 campaign revenue	15,501	-	-	15,501
Gross 2015 campaign revenue	28,468,934	-	-	28,468,934
Less donor designations	(10,503,358)	-	-	(10,503,358)
Less provision for uncollectibles	(794,710)	-	-	(794,710)
Net 2015 campaign revenue	17,170,866	-	-	17,170,866
Gross 2016 campaign revenue	-	264,300	-	264,300
Less provision for uncollectibles	-	(13,215)	-	(13,215)
Net 2016 campaign revenue	-	251,085	-	251,085
Gross 2017 campaign revenue	-	182,508	-	182,508
Less provision for uncollectibles	-	(9,125)	-	(9,125)
Net 2017 campaign revenue	-	173,383	-	173,383
Designations from other United Ways	117,820	-	-	117,820
Grants and contractual program services	190,683	37,214	-	227,897
Sponsorships	176,593	-	-	176,593
Administrative services	258,097	-	-	258,097
Rental income	84,193	-	-	84,193
Investment loss, net	(382,356)	(23,081)	-	(405,437)
Gifts-in-kind	203,813	-	-	203,813
Other contributions	49,993	-	18,699	68,692
Reclassifications:				
Expiration of time restrictions	185,622	(185,622)	-	-
Satisfaction of purpose restrictions	37,398	(37,398)	-	-
Total Support, Revenue, and Reclassifications	18,108,223	215,581	18,699	18,342,503
Expenses:				
Program Services:				
Community Investment	15,834,060	-	-	15,834,060
Information and referral services	174,240	-	-	174,240
Volunteer Center	363,847	-	-	363,847
Other programs	88,249	-	-	88,249
Supporting Services:				
Fundraising	2,369,674	-	-	2,369,674
Management and general	2,119,515	-	-	2,119,515
Total Expenses	20,949,585	-	-	20,949,585
Change in net assets before gain on termination of pension plan	(2,841,362)	215,581	18,699	(2,607,082)
Gain on termination of pension plan	706,290	-	-	706,290
Change in net assets	(2,135,072)	215,581	18,699	(1,900,792)
Net assets, beginning	11,148,007	332,224	825,800	12,306,031
Net assets, ending	\$ 9,012,935	\$ 547,805	\$ 844,499	10,405,239

UNITED WAY OF CENTRAL CAROLINAS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017

	Program Services					Supporting Services			
	Community Investment	Information and Referral Services	Volunteer Center	Other Programs	Total Program Services	Fund Raising	Management and General	Total Supporting Services	Total
Salaries and wages	\$ 540,946	\$ 26,534	\$ 260,766	\$ 32,148	\$ 860,394	\$ 1,303,215	\$ 1,229,209	\$ 2,532,424	\$ 3,392,818
Payroll taxes	43,428	2,216	21,002	2,721	69,367	117,813	112,090	229,903	299,270
Employee benefits	84,975	4,169	40,207	4,980	134,331	187,245	209,681	396,926	531,257
	669,349	32,919	321,975	39,849	1,064,092	1,608,273	1,550,980	3,159,253	4,223,345
Occupancy	64,799	5,271	26,982	5,113	102,165	129,718	136,385	266,103	368,268
Supplies and materials	31,864	1,895	13,565	2,335	49,659	100,702	54,825	155,527	205,186
Outside services	76,178	114,298	21,987	4,997	217,460	143,118	255,684	398,802	616,262
Allocations to member agencies	14,843,370	-	-	-	14,843,370	-	-	-	14,843,370
Grant awards	679,815	-	-	-	679,815	-	-	-	679,815
Volunteer expense	3,377	-	14,383	-	17,760	5,476	1,161	6,637	24,397
Events	25,220	-	132,227	8,286	165,733	49,448	2,429	51,877	217,610
Travel and conferences	8,762	187	3,102	368	12,419	19,899	17,421	37,320	49,739
Dues and subscriptions	3,500	241	3,096	242	7,079	5,024	7,832	12,856	19,935
Taxes, licenses, and fees	326	26	53	20	425	1,364	630	1,994	2,419
Bad debts (recoveries)	(25,323)	(1,533)	(13,334)	(1,795)	(41,985)	(63,520)	(66,175)	(129,695)	(171,680)
UWW and UWNC Dues	95,878	5,804	50,484	6,797	158,963	240,499	250,550	491,049	650,012
Other	10,819	727	5,150	765	17,461	49,065	35,171	84,236	101,697
Total Expenses	<u>\$ 16,487,934</u>	<u>\$ 159,835</u>	<u>\$ 579,670</u>	<u>\$ 66,977</u>	<u>\$ 17,294,416</u>	<u>\$ 2,289,066</u>	<u>\$ 2,246,893</u>	<u>\$ 4,535,959</u>	<u>\$ 21,830,375</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

UNITED WAY OF CENTRAL CAROLINAS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

	Program Services				Supporting Services				Total
	Community Investment	Information and Referral Services	Volunteer Center	Other Programs	Total Program Services	Fund Raising	Management and General	Total Supporting Services	
Salaries and wages	\$ 562,046	\$ 29,209	\$ 170,510	\$ 47,647	\$ 809,412	\$ 1,392,013	\$ 1,199,697	\$ 2,591,710	\$ 3,401,122
Payroll taxes	52,045	2,878	16,205	4,640	75,768	146,590	106,301	252,891	328,659
Employee benefits	94,431	4,799	28,785	7,723	135,738	212,974	201,967	414,941	550,679
	708,522	36,886	215,500	60,010	1,020,918	1,751,577	1,507,965	3,259,542	4,280,460
Occupancy	81,792	6,177	20,442	7,342	115,753	149,861	142,535	292,396	408,149
Supplies and materials	27,607	2,980	5,790	4,712	41,089	106,162	73,028	179,190	220,279
Outside services	52,173	122,999	6,880	3,975	186,027	108,740	226,543	335,283	521,310
Allocations to member agencies	14,531,316	-	-	-	14,531,316	-	-	-	14,531,316
Grant awards	336,074	-	-	-	336,074	-	-	-	336,074
Volunteer expense	5,605	-	16,709	-	22,314	1,819	286	2,105	24,419
Events	13,743	805	63,968	5,225	83,741	46,094	805	46,899	130,640
Travel and conferences	10,036	97	1,133	480	11,746	24,858	17,521	42,379	54,125
Dues and subscriptions	2,033	266	5,370	635	8,304	2,996	4,125	7,121	15,425
Taxes, licenses, and fees	413	29	49	25	516	1,513	653	2,166	2,682
Bad debts (recoveries)	(4,722)	(278)	(1,426)	(429)	(6,855)	(11,094)	(10,390)	(21,484)	(28,339)
UWW and UWNC Dues	58,724	3,457	17,729	5,340	85,250	137,964	129,202	267,166	352,416
Other	10,744	822	11,703	934	24,203	49,184	27,242	76,426	100,629
Total Expenses	\$ 15,834,060	\$ 174,240	\$ 363,847	\$ 88,249	\$ 16,460,396	\$ 2,369,674	\$ 2,119,515	\$ 4,489,189	\$ 20,949,585

The accompanying notes to the consolidated financial statements are an integral part of these statements.

UNITED WAY OF CENTRAL CAROLINAS
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,530,098)	\$ (1,900,792)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	41,467	84,846
Realized gains on sale of investments	(245,024)	-
Contributions restricted for investment in endowment	(18,313)	(77,199)
Unrealized (gains) losses on investments held	(444,941)	518,825
Change in value of beneficial interest of pooled funds	(431,952)	214,308
Changes in operating assets and liabilities:		
Campaign promises to give, net	1,224,579	(235,909)
Other receivables and prepaid expenses	(3,442)	(71,912)
Accounts payable and other liabilities	122,378	(195,654)
Allocations payable to member agencies	(35,637)	(503,054)
Due to designated agencies	(42,370)	(54,764)
Pension liability	-	(618,987)
Net cash from operating activities	<u>(1,363,353)</u>	<u>(2,840,292)</u>
Cash flows from investing activities:		
Purchases of property	(83,249)	(27,531)
Proceeds from sales of investment securities	3,200,000	679,219
Purchases of investment securities	<u>(974,960)</u>	<u>(1,080,756)</u>
Net cash from investing activities	<u>2,141,791</u>	<u>(429,068)</u>
Cash flows from financing activities:		
Contributions restricted for investment in endowment	<u>18,313</u>	<u>77,199</u>
Net change in cash and cash equivalents	796,751	(3,192,161)
Cash and cash equivalents, beginning	<u>3,786,563</u>	<u>6,978,724</u>
Cash and cash equivalents, ending	<u>\$ 4,583,314</u>	<u>\$ 3,786,563</u>

UNITED WAY OF CENTRAL CAROLINAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 1—Organization and summary of significant accounting policies

Organization and Purpose – United Way of Central Carolinas, Inc. (the “Organization,” “UWCC,” or “United Way”) is a not-for-profit corporation organized under the laws of the state of North Carolina for the purpose of providing for the health and human service needs of individuals within Anson, Cabarrus, Mecklenburg, Iredell, and Union counties.

United Way works to create lasting change for those most in need through strategic community philanthropy. United Way funding supports nearly 80 health and human service agencies in our community. Funded programs create pathways to economic mobility by addressing the myriad issues that contribute to intergenerational poverty; services include financial assistance, job and career training, health and mental health care, housing and shelter, and high-quality education opportunities that begin at birth.

The Organization’s program services include:

Community Investment Process – The Community Investment Process is focused on supporting a broad range of local health and human service programs to help meet important community needs in three focus areas; children and youth, health and mental health, and housing and stability. These programs focus on both the short-term and long-term needs of individuals and families in communities served by United Way of Central Carolinas, Inc. Through this annual process, UWCC allocates funding to 78 health and human service organizations. These agencies operate in Anson, Cabarrus, Mecklenburg, Iredell, and Union Counties.

This year, allocations to UWCC agencies were determined by 139 volunteers. These volunteers engage in a variety of activities during the Community Investment Process, including training and funding council meetings, before they ultimately make funding recommendations. The volunteers also consider such things as reductions in public funding, changes in the way services are provided, the loss of other services in the continuum that may inhibit program success, and significant changes in designations that individual agencies received in their funding decisions. Based on this input, the volunteer Board of Directors (the “Board”) approves the final allocations to partner agencies in June of each year and as a result, the Organization records the entire amount as a liability and expense at that time. In order for a partner agency to be eligible to receive funds allocated by UWCC, they must submit applications that include goals, strategies, and outcomes that are linked to UWCC’s focus areas. Agency outcomes must be linked to specific UWCC focus areas and agencies must identify and track outcomes that are specific, measurable, attainable, realistic, timely, and unambiguous. Agencies make annual progress reports on program outcomes. Through this discipline, agencies continually improve their programs, making measurable and lasting change in the lives of the people they are serving. In addition, each organization is required to comply with an annual financial certification process that is conducted by the finance department of UWCC. This certification involves obtaining current financial and governance information, as well as a thorough review of this information by qualified financial volunteers.

Community Convening & Collaboration Activities – UWCC leads and supports a variety of community efforts to improve the systems that serve children and families. Examples include:

- 1) *Coordinated Entry* – UWCC, along with other community partners such as the City of Charlotte, Mecklenburg County, and the Foundation For The Carolinas (“FFTC”), continues to lead efforts to ensure people experiencing homelessness (or are about to become homeless) are connected to housing and support services as efficiently as possible. The goal of this effort is to ensure those who are experiencing homelessness are connected to the most appropriate services available and to reduce the length of time an individual or family experiences homelessness. In addition, improvements made to this system this year will yield valuable data about the barriers to finding and housing in our community.

UNITED WAY OF CENTRAL CAROLINAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 1—Organization and summary of significant accounting policies (continued)

- 2) *Tutor Charlotte* – UWCC, in partnership with Read Charlotte, has launched an effort to connect volunteers with tutoring opportunities in schools in our region. This research-informed effort is expected to improve 3rd grade reading scores and support overall positive child and youth development. The program, in its pilot phase, will leverage UWCC’s extensive corporate relationships to identify volunteers who agree to read to children for 1 hour a week over the course of a school year.
- 3) *Unite Charlotte* – UWCC launched Unite Charlotte this year which is designed to improve racial equity and promote social justice. The effort was a collaborative effort with other local funders and community leaders to address issues that lead to the unrest in Charlotte during the fall of 2016. Through this initiative, UWCC supported 20 small and/or new organizations that are working to strengthen community engagement, increase social capital, and address issues related to racial disparities. As part of this effort, UWCC also launched a capacity-building series designed to support these small and/or new non-profits in their organizational growth.

Information and Referral Services – United Way Information and Referral (2-1-1) is a free, confidential help-line and online service that links people in need and volunteers to appropriate health and human service agencies in Anson, Cabarrus, Mecklenburg, Iredell, and Union Counties. The service is available 24 hours a day, 365 days a year in multiple languages.

Volunteerism – United Way of Central Carolinas expanded its volunteer resources this year by acquiring Hands On Charlotte to create one unified resource for volunteers and to increase opportunity communitywide for volunteer engagement at both the corporate and individual level. Hands On Charlotte is now the volunteer arm of United Way of Central Carolinas. Founded in 1991, Hands On Charlotte is a charter member of the Hands On Network, an enterprise of Points of Light. With a mission to inspire, equip and mobilize a diverse corps of volunteers to strengthen our community, Hands On Charlotte offers a wide range of one-time or recurring volunteer service projects right where the needs are being served daily. Hands On Charlotte engages approximately 15,000 volunteers per year for an approximate 35,000 hours served. Volunteer groups range in size from 5 to more than 1,200. In addition, United Way of Central Carolinas engages volunteers through board/committee and community investment volunteer opportunities.

The gain recognized on the acquisition of Hands On Charlotte totaled \$78,491 and is included in the consolidated statement of activities for the year ended June 30, 2017. There was no cash exchanged as a result of this transaction and the entire gain represents Hands on Charlotte’s net assets as of the date of acquisition.

Designated Pledges – The Organization accepts donor pledges that are designated to certain other 501(c)(3), health and human service organizations. Donor designated pledges that are raised, processed and distributed are assessed both a fundraising and a management and general fee based on actual historical costs in accordance with *United Way Worldwide Cost Deduction Requirements for Membership Standard M*. The Organization honors designations made to each member organization by distributing a proportionate share of receipts based on donor designations to each member.

Principles of Consolidation – The consolidated financial statements include the accounts of the Organization and its majority controlled affiliate, United Way Legacy Foundation (the “Legacy Foundation”). All significant intercompany accounts and transactions have been eliminated from the accompanying financial statements.

UNITED WAY OF CENTRAL CAROLINAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 1—Organization and summary of significant accounting policies (continued)

Financial Statement Presentation – The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets – Net assets that are both undesignated and designated in nature. Undesignated, unrestricted net assets are those currently available for use in the day-to-day operations of the Organization and those resources invested in property and equipment. From time to time, the Board of Directors may designate certain amounts to be utilized/invested to meet specific objectives of the Organization.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, or when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

Permanently Restricted Net Assets – Net assets that contain donor-imposed restrictions stipulating that the amounts be maintained by the Organization in perpetuity. The Organization may expend part or all of the income earned according to donor stipulations.

Use of Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Cash and Cash Equivalents – The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments – Investments are recorded at fair value with realized and unrealized gains and losses included in the accompanying consolidated statements of activities. The fair value of investment securities is determined by reference to exchange or dealer-quoted market prices at year-end.

Property, Net – Property is recorded at cost, if purchased and at estimated fair value at the date of receipt, if donated. The Organization capitalizes assets that have a value or cost of \$1,000 or greater at the date of acquisition and an estimated useful life of more than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The cost and any accumulated depreciation are removed from the accounts for items sold or retired, and any resulting gain or loss is included in the determination of the change in net assets. Donated property is reported as unrestricted support unless the donor restricts the donated asset to a specific purpose. The estimated useful lives of assets are 3 to 10 years for land improvements, 5 to 40 years for building and building improvements and 5 to 10 years for equipment.

Campaign Promises to Give and Allowances for Uncollectible Accounts – Annual campaign pledge contributions receivable are generally paid in one year. The Organization provides an allowance for uncollectible pledges based on historical write-off percentages at the time campaign results are recorded. This estimated allowance is periodically adjusted based on campaign collection trends. A campaign is officially closed for accounting purposes, and the final uncollectible amount determined, in the year following the year the workplace campaign collections begin. Any difference in the actual campaign collection results compared with the estimates previously recorded is reflected in the consolidated statements of functional expenses and the consolidated statements of activities.

UNITED WAY OF CENTRAL CAROLINAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 1—Organization and summary of significant accounting policies (continued)

Donated Goods and Services – The United Way recognizes contributed good and services as revenue and expense if such services meet the criteria for recognition under generally accepted accounting principles. Donated goods total \$163,238 and \$203,813 for the years ended June 30, 2017 and 2016, respectively.

In addition to the donated goods above, a number of volunteers, including members of the Board of Directors and its committees as well as various volunteer assistants, contribute significant amounts of time to further the Organization's programs. The value of this contributed time does not meet the criteria for recognition of contributed services and, accordingly, is not reflected as support in the accompanying consolidated financial statements.

Income Taxes – The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for income taxes has been made in the accompanying consolidated financial statements. The Organization is however liable for federal and state income tax on unrelated business income.

The Organization follows the Financial Accounting Standards Board ("FASB") guidance on accounting for uncertainty in income taxes. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Organization's policy is to record a liability for any tax position taken that is beneficial to the Organization, including any related interest and penalties, when it is "more likely than not" (more than a 50% likelihood) the position taken by management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2017 and 2016 and, accordingly, no liability has been accrued.

Functional Expense Classification – The Organization's functional expense classification and allocation policy is based on United Way Worldwide functional expense and overhead reporting standards, a review of the current organizational structure and the identification, reclassification and allocation of certain employee, facility and departmental expenses, which serve multiple functional areas. The supplemental schedule of management calculation of overhead rate is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements.

Future Pronouncements – In August of 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information presented in financial statements and notes about its liquidity, financial performance, and cash flows. The standard will be effective for fiscal years beginning after December 15, 2017 and for interim periods with fiscal years beginning after December 15, 2018. Early adoption is permitted. The Organization is currently in the process of evaluating the impact that ASU 2016-14 will have on its consolidated financial statements.

UNITED WAY OF CENTRAL CAROLINAS
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JUNE 30, 2017 AND 2016

Note 2—Campaign promises to give, net

Campaign promises to give at June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Campaign promises to give, 2019/2020 campaign	\$ 11,400	\$ -
Campaign promises to give, 2018/2019 campaign	85,500	-
Campaign promises to give, 2017/2018 campaign	302,907	173,383
Campaign promises to give, 2016/2017 campaign	6,588,277	314,921
Campaign promises to give, 2015/2016 campaign	-	7,688,602
Campaign promises to give, 2014/2015 campaign	-	35,757
Campaign promises to give, net	<u>\$ 6,988,084</u>	<u>\$ 8,212,663</u>

Note 3—Investments

Investments at June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Cash and money market funds	\$ 300,522	\$ 5,207
Certificates of deposit	2,100,000	1,472,717
Mutual funds:		
Balanced Global Funds	933,137	969,523
International Fixed Income Funds	601,360	556,053
Domestic Fixed Income Funds	1,601,839	1,630,444
International Equity Funds	1,160,630	1,089,981
Domestic Large Cap Equity Funds	2,850,419	2,980,404
Domestic Small Cap Equity Funds	678,239	879,167
Pooled Funds held by United Way Legacy Foundation at FFTC	3,464,173	5,209,946
Total investments	<u>\$ 13,690,319</u>	<u>\$ 14,793,442</u>

The Organization's investments are exposed to various risks such as interest rate, market, liquidity, and credit risk. Due to the current and potential future volatility in the financial markets, it is possible that changes in the investment values and liquidity could occur in the near term and could materially affect the reported investment values in the accompanying consolidated statements of financial position.

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 3—Investments (continued)

Legacy Foundation – The Organization has established an endowment that is administered by the Legacy Foundation, a consolidated entity. The Board has appropriated the endowed assets to be maintained in perpetuity. Earnings on the funds are available for spending annually, in accordance with the Legacy Foundation’s spending policy. The endowed assets are reported at fair value and are included in investments in the accompanying consolidated statements of financial position in accordance with the principles of consolidation. The endowed assets, including gains and losses, are recorded as unrestricted net assets. The fair value of the endowed assets at June 30, 2017 and 2016 and changes in the endowment net assets are presented in Note 14.

Donor-restricted Endowment Funds – The Organization also holds beneficial interests in certain trusts that are administered by FFTC. The Organization has the irrevocable right to receive income earned on the trust assets; however, the Organization will not receive the assets held in the trust, which are invested in perpetuity. The beneficial interests in the trusts are valued at the fair value of the assets held in the trust and are included in investments in the accompanying consolidated statements of financial position in accordance with the principles of consolidation. Changes in the fair value of the assets held in trust are recorded as unrestricted, temporarily restricted, or permanently restricted income in accordance with donor stipulations. Reclassifications into unrestricted net assets are made as distributable income is released from restriction. The fair value of the endowed assets at June 30, 2017 and 2016 and changes in the endowment net assets are presented in Note 14.

The following is a summary of investment return and losses for the years ended June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Interest and dividends, net of fees	\$ 325,408	\$ 320,327
Change in value of beneficial interest of pooled funds	431,952	(214,308)
Net change in fair value of investments, including realized and unrealized gains (losses)	<u>689,965</u>	<u>(518,825)</u>
Investment gain (loss) , net	1,447,325	(412,806)
Interest earned on cash deposits	<u>11,629</u>	<u>7,369</u>
Total investment return, net	<u>\$ 1,458,954</u>	<u>\$ (405,437)</u>

The Legacy Foundation and donor-restricted endowment funds are held at FFTC. These investments are maintained with various broker-dealers, invested in pooled funds of primarily common stock equities, bonds and fixed income investments, which are subject to fluctuations in market values and expose the Organization to a certain degree of interest and credit risk.

The FFTC fund managers invest in private investment funds as part of the asset allocation, as an alternative investment strategy with the purpose of increasing the diversity of the holdings and being consistent with the overall investment objectives. The private investment funds are not traded on an exchange, and accordingly, investments in such funds may not be as liquid as investments in marketable equity or debt securities.

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 3—Investments (continued)

The private investment funds may invest in other private investment funds, equity or debt securities, which may or may not have readily available fair values, and foreign exchange or commodity forward contracts. Management of FFTC relies on various factors to estimate the fair value of these investments and believes its processes and procedures for valuing investments are effective and that its estimate of value is reasonable. However, the factors used by management are subject to change in the near term, and accordingly, investment values and performance can be affected. The effect of these changes could be material to the accompanying consolidated financial statements.

Note 4—Property, net

The components of property, net at June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Land and land improvements	\$ 225,925	\$ 225,925
Building and building improvements	2,625,743	2,582,243
Equipment	<u>1,592,587</u>	<u>1,552,838</u>
Total	4,444,255	4,361,006
Less accumulated depreciation	<u>(4,088,603)</u>	<u>(4,047,136)</u>
Property, net	<u>\$ 355,652</u>	<u>\$ 313,870</u>

Note 5—Board appropriated net assets

Unrestricted net assets also include Board appropriated net assets to be used for a specific purpose. At June 30, 2017 and 2016, unrestricted net assets of approximately \$2,500,000 and \$4,300,000, respectively, were appropriated for endowment purposes. These funds are intended to be held in perpetuity. Earnings on the funds are available for spending annually in accordance with the Organization's spending policy (see Note 14).

Note 6—Temporarily restricted net assets

Temporarily restricted net assets at June 30, 2017 and 2016 included the following:

	<u>2017</u>	<u>2016</u>
Time restrictions:		
Campaign contributions promised or received in advance	\$ 441,947	\$ 478,732
Cumulative change in value of beneficial interest in trusts	158,335	65,733
Purpose restrictions:		
Tutor Charlotte	25,479	-
Days of Caring	7,350	3,340
Publix Last Resort Fund	<u>53,775</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$ 686,886</u>	<u>\$ 547,805</u>

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 7—Permanently restricted net assets

Permanently restricted net assets at June 30, 2017 and 2016 included the following:

	2017	2016
Giles endowment	\$ 100,000	\$ 100,000
Cato endowment for education training fund	300,000	300,000
McIntyre Legacy endowment	430,439	423,792
Rutledge endowment	20,000	20,000
Mattison-Boyd endowment	707	707
	<u>\$ 851,146</u>	<u>\$ 844,499</u>

Note 8—Net assets released from restriction

Net assets were released from donor restrictions by the expiration of time restrictions or by incurring expenses in satisfaction of purpose restrictions for the years ended June 30, 2017 and 2016 as follows:

	2017	2016
Expiration of time restrictions:		
Campaign contributions promised	\$ 275,581	\$ 185,622
Endowments	13,014	-
Total expiration of time restrictions	<u>288,595</u>	<u>185,622</u>
Satisfaction of purpose restrictions:		
Tutor Charlotte	\$ 24,520	\$ -
Days of Caring	3,340	37,398
Publix Last Resort Fund	1,334	-
Total satisfaction of purpose restrictions	<u>\$ 29,194</u>	<u>\$ 37,398</u>

Note 9—Concentrations

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of unsecured campaign contributions promised. The Organization's ability to collect these campaign contributions promised is directly affected by economic conditions in the community from which it draws support. The top five client companies contributed approximately 48% of campaign revenue during each of the years ended June 30, 2017 and 2016. The top five client companies make up approximately 33% and 42% of the campaign promises to give balances as of June 30, 2017 and 2016, respectively.

The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Organization from time to time may have amounts on deposit in excess of the insured limits. The Organization had approximately \$4,374,000 and \$3,037,000 of cash and cash equivalents in excess of these insured amounts at June 30, 2017 and 2016, respectively.

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 10—Benefit plans

The Organization sponsored a defined benefit pension plan (the “Plan”) that covered substantially all of its employees prior to its termination. The Plan called for benefits to be paid to eligible employees at retirement based primarily upon years of service with the Organization and compensation rates near retirement. Contributions to the Plan reflected benefits attributed to employees’ service to-date, as well as services expected to be earned in the future. Effective August 20, 2010, the Plan was amended such that no employee would become an active participant and no inactive or former participant shall again become an active participant. The vesting of the Plan was officially frozen as of December 31, 2011. On August 28, 2014, the Organization’s Board voted to terminate the Plan. The termination was completed during the year ended June 30, 2016.

The following sets forth the Plan’s funded status and the accrued benefit cost recognized in the Organization’s consolidated statements of financial position at June 30, 2016:

Change in obligation:

Projected benefit obligation, beginning of year	\$ 4,147,998
Interest cost and actuarial gain	(16,968)
Benefits paid	(3,424,740)
Gain on termination of benefit Plan	<u>(706,290)</u>
Projected benefit obligation, end of year	<u>-</u>

Change in Plan assets:

Fair value of Plan assets, beginning of year	3,529,011
Benefits paid	(3,424,740)
Termination of benefit Plan	<u>(104,271)</u>
Fair value of Plan assets, end of year	<u>-</u>
Funded status of Plan, end of year	<u>\$ -</u>

There was no accumulated benefit obligation at June 30, 2017 or 2016.

The Organization received an Internal Revenue Service determination letter in May 2015 stating that the termination of the Plan did not adversely affect its qualification for federal tax purposes.

The Organization also sponsors a defined contribution plan under which all employees are eligible to participate. Employees may defer a portion of their annual compensation pursuant to Section 403(b) of the Internal Revenue Code. Upon an employee’s completion of minimum service requirements, the Organization matches 50% of each employee’s contribution up to a maximum of 6% of eligible compensation. The Organization made contributions to the 403(b) plan of \$148,876 and \$143,974 for the years ended June 30, 2017 and 2016, respectively.

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 11—Lease commitments

The Organization leases certain office facilities and equipment under operating lease agreements. Rental expense under these leases totaled \$60,243 and \$54,622 for the years ended June 30, 2017 and 2016, respectively. Aggregate future minimum lease payments under such leases are as follows:

Years Ending June 30:

2018	\$	38,559
2019		23,810
2020		12,507
2021		9,420
2022		5,579
		<u>5,579</u>
	\$	<u>89,875</u>

Note 12—Fair values of financial instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

Fair value approximates book value for the following financial instruments due to their short-term nature: cash and cash equivalents, campaign promises to give, accounts payable, and accrued expenses.

Note 13—Fair value measurements of assets and liabilities

In accordance with guidance on fair value measurements for financial instruments, fair value is defined as the price that the Organization would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. The fair value guidance establishes a three-tier hierarchy to distinguish between inputs that reflect the assumptions that market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and inputs that reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the fair value of the Organization's financial instruments.

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 13—Fair value measurements of assets and liabilities (continued)

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are:

- Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges for identical investments at the reporting date. The types of financial instruments which would generally be included in Level 1 are listed mutual funds.
- Level 2: Financial instruments valued using pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable at the reporting date. Fair value is determined through use of models or other valuation methodologies.
- Level 3: Financial instruments that are not actively traded on a market exchange and typically require using significant unobservable inputs in determining fair value. The inputs into the determination of fair value require significant judgment or estimation by management or the investment manager.

See Footnote 14 for a rollforward of the Level 3 investments.

The following table summarizes the valuation of the Organization's financial assets measured at fair value on a recurring basis at June 30, 2017 and 2016, based on the level of input utilized to measure fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
As of June 30, 2017:				
Investments:				
Cash and money market funds	\$ 300,522	\$ -	\$ -	\$ 300,522
Certificate of deposit	2,100,000	-	-	2,100,000
Mutual funds	7,825,624	-	-	7,825,624
Beneficial interest in pooled funds	-	-	3,464,173	3,464,173
	<u>\$ 10,226,146</u>	<u>\$ -</u>	<u>\$ 3,464,173</u>	<u>\$ 13,690,319</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
As of June 30, 2016:				
Investments:				
Cash and money market funds	\$ 5,207	\$ -	\$ -	\$ 5,207
Certificate of deposit	1,472,717	-	-	1,472,717
Mutual funds	8,105,572	-	-	8,105,572
Beneficial interest in pooled funds	-	-	5,209,946	5,209,946
	<u>\$ 9,583,496</u>	<u>\$ -</u>	<u>\$ 5,209,946</u>	<u>\$ 14,793,442</u>

UNITED WAY OF CENTRAL CAROLINAS
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JUNE 30, 2017 AND 2016

Note 14—Endowment funds

The Organization’s endowment consists of several individual funds established for a variety of purposes that are invested at FFTC. The endowment consists of donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

At June 30, 2017 and 2016, endowment pledges receivable of approximately \$4,000 and \$15,000, respectively, are not included below but are considered to be part of permanently restricted net assets.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
June 30, 2017:				
Donor-restricted endowment funds	\$ -	\$ 158,335	\$ 847,379	\$ 1,005,714
Unrestricted donor advised funds	<u>2,458,459</u>	<u>-</u>	<u>-</u>	<u>2,458,459</u>
Total funds	<u>\$ 2,458,459</u>	<u>\$ 158,335</u>	<u>\$ 847,379</u>	<u>\$ 3,464,173</u>
June 30, 2016:				
Donor-restricted endowment funds	\$ -	\$ 65,733	\$ 829,066	\$ 894,799
Unrestricted donor advised funds	<u>4,315,147</u>	<u>-</u>	<u>-</u>	<u>4,315,147</u>
Total funds	<u>\$ 4,315,147</u>	<u>\$ 65,733</u>	<u>\$ 829,066</u>	<u>\$ 5,209,946</u>

The Board of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring, absent explicit donor stipulations to the contrary, that the following amounts included in the endowment be classified as permanently restricted: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund be classified as permanently restricted. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA or spent in accordance with the purpose restrictions established by the donor.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowments funds:

1. The duration and preservation of the fund.
2. The purposes of the Organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policies of the Organization.

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Note 14—Endowment funds (continued)

FFTC administers the endowed funds of the Legacy Foundation. The Board of Directors of the Legacy Foundation and ultimately the Organization have adopted investment and spending policies for endowment assets that attempt to provide for a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to produce results that provide an average annual real rate of return, net of fees, equal to or greater than spending, administrative fees, and inflation (Consumer Price Index). Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Legacy Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Legacy Foundation's spending policy allows for appropriating for distribution each year a maximum of 5% of the average fair value using the prior 3 years' value at the calendar year-end preceding the fiscal year in which the distribution is planned. This policy is evaluated on an annual basis for prudence. In establishing the spending policy, the expected return on the endowment was taken into consideration. Accordingly, the spending policy is expected to allow the endowment to maintain its purchasing power by growing at a rate equal to planned payouts. Additional real growth will be provided through new gifts and any excess investment return.

Changes in the investment portion of the endowment net assets for the years ended June 30, 2017 and 2016 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2016	\$ 4,315,147	\$ 65,733	\$ 829,066	\$ 5,209,946
Contributions	3,962	-	18,313	22,275
Approved grants	(2,186,986)	(13,014)	-	(2,200,000)
Change in beneficial interests in pooled funds, net of expenses	<u>326,336</u>	<u>105,616</u>	<u>-</u>	<u>431,952</u>
Endowment net assets, June 30, 2017	<u>\$ 2,458,459</u>	<u>\$ 158,335</u>	<u>\$ 847,379</u>	<u>\$ 3,464,173</u>

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Note 14—Endowment funds (continued)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2015	\$ 4,467,758	\$ 88,814	\$ 751,867	\$ 5,308,439
Contributions	38,616	-	77,199	115,815
Change in beneficial interests in pooled funds, net of expenses	<u>(191,227)</u>	<u>(23,081)</u>	<u>-</u>	<u>(214,308)</u>
Endowment net assets, June 30, 2016	<u>\$ 4,315,147</u>	<u>\$ 65,733</u>	<u>\$ 829,066</u>	<u>\$ 5,209,946</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the amount recorded by the Organization as permanently restricted net assets (corpus). At June 30, 2017 and 2016, the fair value of each individual fund approximated corpus.

Note 15—Subsequent events

The Organization has evaluated subsequent events through September 22, 2017, in connection with the preparation of these consolidated financial statements, which is the date the consolidated financial statements were available to be issued.

ACCOMPANYING INFORMATION

UNITED WAY OF CENTRAL CAROLINAS**SUPPLEMENTAL SCHEDULE OF MANAGEMENT CALCULATION OF OVERHEAD RATE
(NON-GAAP CALCULATION)***YEARS ENDED JUNE 30, 2017 AND 2016*

	2017	2016
Total support, revenue, and reclassifications	\$ 20,221,786	\$ 18,342,503
Plus current campaign year donor designations, net of provision for uncollectibles (2016 and 2015 campaigns, respectively)	10,289,974	9,708,648
Plus unrealized (gains) losses on investments and beneficial interest in trust	<u>(876,893)</u>	<u>733,133</u>
	<u>\$ 29,634,867</u>	<u>\$ 28,784,284</u>
 Total supporting services	 <u>\$ 4,535,959</u>	 <u>\$ 4,489,189</u>
 Overhead rate	 <u>15.3%</u>	 <u>15.6%</u>