



United Way
of Central Carolinas

FINANCIAL STATEMENTS AND
ACCOMPANYING INFORMATION

*As of and for the Years Ended June 30, 2018
and 2017*

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 statements of financial position of United Way of Central Carolinas, Inc. (the "Organization") as of June 30, 2018 and 2017 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 financial statements are free from material misstatement.

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

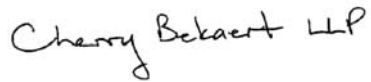
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2018 and 2017, 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 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Cherry Bekaert LLP".

Charlotte, North Carolina
November 1, 2018

UNITED WAY OF CENTRAL CAROLINAS
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 5,956,711	\$ 4,583,314
Campaign promises to give	7,854,940	7,967,975
Less allowance for uncollectible promises to give	(914,854)	(979,891)
Other receivables	229,819	91,363
Prepaid expenses and other assets	89,122	59,882
Investments	18,762,419	13,690,319
Property, net	94,615	355,652
Total Assets	<u>\$ 32,072,772</u>	<u>\$ 25,768,614</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 261,385	\$ 150,337
Accrued compensation	228,506	163,639
Other liabilities and accrued expenses	924,226	205,639
Campaigns processed for others, net	351,944	410,751
Grants payable	13,516,993	15,105,944
Due to designated agencies	796,996	857,163
Total Liabilities	<u>16,080,050</u>	<u>16,893,473</u>
Net Assets:		
Unrestricted	14,075,008	7,337,109
Temporarily restricted	1,066,568	686,886
Permanently restricted	851,146	851,146
Total Net Assets	<u>15,992,722</u>	<u>8,875,141</u>
Total Liabilities and Net Assets	<u>\$ 32,072,772</u>	<u>\$ 25,768,614</u>

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

UNITED WAY OF CENTRAL CAROLINAS
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, Revenue, and Reclassifications:				
Additional 2016 campaign revenue	\$ 188,880	\$ -	\$ -	\$ 188,880
Less donor designations	(20,116)	-	-	(20,116)
Net 2016 campaign revenue	168,764	-	-	168,764
Gross 2017 campaign revenue	26,067,939	27,060	-	26,094,999
Less donor designations	(9,628,083)	-	-	(9,628,083)
Less provision for uncollectibles	(829,089)	-	-	(829,089)
Net 2017 campaign revenue	15,610,767	27,060	-	15,637,827
Gross 2018 and 2019 campaign revenue	-	453,027	-	453,027
Less provision for uncollectibles	-	(41,975)	-	(41,975)
Net 2018 and 2019 campaign revenue	-	411,052	-	411,052
Designations from other United Ways	186,318	-	-	186,318
Grants and contributions	476,489	235,676	-	712,165
Fees for volunteer services	415,680	-	-	415,680
Sponsorships	208,159	30,000	-	238,159
Administrative services	53,964	-	-	53,964
Rental income	97,866	-	-	97,866
Investment income, net	899,037	68,291	-	967,328
Gifts-in-kind	128,610	-	-	128,610
Other revenues	27,094	-	-	27,094
Reclassifications:				
Expiration of time restrictions	345,047	(345,047)	-	-
Satisfaction of purpose restrictions	47,350	(47,350)	-	-
Total Support, Revenue, and Reclassifications	18,665,145	379,682	-	19,044,827
Expenses:				
Program Services:				
Community investment	15,631,787	-	-	15,631,787
Information and referral services	167,466	-	-	167,466
Hands on Charlotte	895,828	-	-	895,828
Other programs	111,806	-	-	111,806
Supporting Services:				
Fundraising	2,447,895	-	-	2,447,895
Management and general	2,384,105	-	-	2,384,105
Total Expenses	21,638,887	-	-	21,638,887
Change in net assets before gain on sale of property	(2,973,742)	379,682	-	(2,594,060)
Gain on sale of property	9,711,641	-	-	9,711,641
Change in net assets	6,737,899	379,682	-	7,117,581
Net assets, beginning	7,337,109	686,886	851,146	8,875,141
Net assets, ending	\$14,075,008	\$ 1,066,568	\$ 851,146	\$15,992,722

The accompanying notes to the financial statements are an integral part of this statement.

UNITED WAY OF CENTRAL CAROLINAS
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 contributions	778,132	82,690	-	860,822
Fees for volunteer services	42,672	-	-	42,672
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 revenue	26,613	-	6,647	33,260
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
Hands on Charlotte	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 acquisition - Hands on Charlotte	(1,754,317)	139,081	6,647	(1,608,589)
Gain on 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

The accompanying notes to the financial statements are an integral part of this statement.

UNITED WAY OF CENTRAL CAROLINAS
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

	Program Services				Supporting Services				
	Information		Total		Management and General		Total		
	Community Investment	and Referral Services	Hands On Charlotte	Other Programs	Program Services	Fundraising	Supporting Services	Total	
Salaries and wages	\$ 762,166	\$ 29,940	\$ 334,426	\$ 56,055	\$ 1,182,587	\$ 1,417,786	\$ 1,278,634	\$ 2,696,420	\$ 3,879,007
Payroll taxes	61,770	2,487	28,791	4,631	97,679	123,983	102,668	226,651	324,330
Employee benefits	103,840	4,607	56,215	8,860	173,522	190,857	210,000	400,857	574,379
	927,776	37,034	419,432	69,546	1,453,788	1,732,626	1,591,302	3,323,928	4,777,716
Occupancy	130,234	6,397	65,586	11,594	213,811	217,271	240,722	457,993	671,804
Supplies and materials	41,307	1,965	12,421	1,917	57,610	93,839	39,465	133,304	190,914
Outside services	63,767	113,240	17,556	6,039	200,602	71,361	201,848	273,209	473,811
Grant awards	14,269,108	-	-	-	14,269,108	-	-	-	14,269,108
Volunteer expense	7,834	938	1,041	542	10,355	6,296	4,592	10,888	21,243
Events	39,021	790	299,806	8,425	348,042	38,514	19,369	57,883	405,925
Travel and conferences	19,065	124	4,679	302	24,170	13,983	13,326	27,309	51,479
Dues and subscriptions	3,672	146	2,292	296	6,406	4,034	6,298	10,332	16,738
Taxes, licenses, and fees	453	25	80	22	580	1,487	604	2,091	2,671
Bad debts	11,647	586	6,106	1,075	19,414	20,926	22,979	43,905	63,319
UWW and UWNC Dues	106,072	5,337	55,610	9,788	176,807	190,583	209,279	399,862	576,669
Other	11,831	884	11,219	2,260	26,194	56,975	34,321	91,296	117,490
Total Expenses	\$ 15,631,787	\$ 167,466	\$ 895,828	\$ 111,806	\$ 16,806,887	\$ 2,447,895	\$ 2,384,105	\$ 4,832,000	\$ 21,638,887

The accompanying notes to the financial statements are an integral part of this statement.

UNITED WAY OF CENTRAL CAROLINAS
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017

	Program Services					Supporting Services			Total
	Information and Referral Services		Hands on Charlotte		Other Programs	Fundraising and General		Supporting Services	
	Community Investment	Services	Charlotte	Programs	Program Services	Management and General	Supporting Services		
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
Grant awards	15,523,185	-	-	-	15,523,185	-	-	-	15,523,185
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)
UWV 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	\$ 16,487,934	\$ 159,835	\$ 579,670	\$ 66,977	\$ 17,294,416	\$ 2,289,066	\$ 2,246,893	\$ 4,535,959	\$ 21,830,375

The accompanying notes to the financial statements are an integral part of this statement.

UNITED WAY OF CENTRAL CAROLINAS
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 7,117,581	\$ (1,530,098)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	35,026	41,467
Gain on sale of property	(9,711,641)	-
Realized gains on sale of investments	(101,306)	(245,024)
Contributions restricted for investment in endowment	(2,334)	(18,313)
Unrealized gains on investments held	(281,262)	(444,941)
Change in value of beneficial interest in assets	(269,243)	(431,952)
Changes in operating assets and liabilities:		
Campaign promises to give, net	47,998	1,224,579
Other receivables and prepaid expenses	(167,696)	(3,442)
Accounts payable and other liabilities	835,695	(302,529)
Grants payable	(1,588,951)	389,270
Due to designated agencies	(60,167)	(42,370)
Net cash from operating activities	<u>(4,146,300)</u>	<u>(1,363,353)</u>
Cash flows from investing activities:		
Purchases of property	(7,963)	(83,249)
Proceeds from the sale of property	9,945,615	-
Proceeds from sales of investment securities	2,831,427	3,200,000
Purchases of investment securities	(7,251,716)	(974,960)
Net cash from investing activities	<u>5,517,363</u>	<u>2,141,791</u>
Cash flows from financing activities:		
Contributions restricted for investment in endowment	<u>2,334</u>	<u>18,313</u>
Net change in cash and cash equivalents	1,373,397	796,751
Cash and cash equivalents, beginning	<u>4,583,314</u>	<u>3,786,563</u>
Cash and cash equivalents, ending	<u>\$ 5,956,711</u>	<u>\$ 4,583,314</u>

UNITED WAY OF CENTRAL CAROLINAS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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 over 110 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 – UWCC focuses on supporting a broad range of local health and human service programs to help drive economic mobility with a focus on education, health, financial stability and basic needs. A two-generation approach supports the entire family by intentionally focusing on the needs of both parent and child. Each year, UWCC allocates funding to health and human service organizations in Anson, Cabarrus, Mecklenburg, Iredell, and Union counties. The funding is allocated through three grant processes:

- 1) *Impact Grants* – Supports agencies across UWCC’s five county region that work collaboratively to provide comprehensive and coordinated services that will improve economic mobility and achieve results greater than any single organization.
- 2) *United Neighborhoods* – Works to change the odds for those in our most under-resourced neighborhoods by supporting community-driven holistic neighborhood transformation and revitalization efforts.
- 3) *Unite Charlotte* – Supports new and grassroots organizations through grants and capacity-building activities focused on improving racial equity and increasing social capital.

Grant allocations to UWCC agencies were determined by 177 volunteers this year. These volunteers engaged in a variety of activities during the Community Investment Process, including training and funding council meetings, before they ultimately made funding recommendations. The volunteers also considered such things as reductions in public funding, changes in the way services are provided and the loss of other services in the continuum that may inhibit program success. 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 economic mobility priorities. 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.

UNITED WAY OF CENTRAL CAROLINAS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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

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, NC 2-1-1, 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 housing in our community.
- 2) *United Neighborhoods* – UWCC launched United Neighborhoods in 2017 to change the odds for individuals and families living in our region’s most under-resourced neighborhoods. Transformation and revitalization efforts are driven through community-specific strategies backed by multi-year funding and staff resources from United Way.
- 3) *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.
- 4) *Unite Charlotte* – UWCC launched Unite Charlotte in 2016 to provide funding for local nonprofits and grassroots organizations focused on improving racial equity and increasing social capital. Through this initiative, UWCC supports more than 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’s Hands On Charlotte is one of the many ways UWCC brings people together to build a stronger community. Hands On Charlotte offers flexible volunteer opportunities for companies, individuals and families. Projects cover UWCC’s five-county footprint and range from sorting clothes and food to building a playground or tutoring. Hands On Charlotte engaged more than 19,000 volunteers in 2018 benefiting 146 community organizations. Those volunteers served over 46,000 hours. In addition, UWCC engages volunteers through board/committee and community investment volunteer opportunities.

UNITED WAY OF CENTRAL CAROLINAS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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

Reclassifications – Certain amounts previously presented in the financial statements have been reclassified to conform to the current year presentation. Such reclassifications had no effect on previously reported change in net assets or cash flows.

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.

Campaign Promises to Give and Allowances for Uncollectible Promises to Give – Annual campaign pledge contributions receivable are generally paid in one year. The Organization provides an allowance for uncollectible promises to give 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 statements of functional expenses and the statements of activities.

Investments – Investments are recorded at fair value with realized and unrealized gains and losses included in the accompanying statements of activities.

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.

UNITED WAY OF CENTRAL CAROLINAS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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

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 an administrative fee. The administrative fee cannot exceed the calculation as prescribed by the *United Way Worldwide Cost Deduction Requirements for Membership Standard M*. This calculation is based on actual historical costs.

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 \$128,610 and \$163,238 for the years ended June 30, 2018 and 2017, 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 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 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, 2018 and 2017 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 financial statements.

UNITED WAY OF CENTRAL CAROLINAS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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

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. The Organization is currently in the process of evaluating the impact that ASU 2016-14 will have on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of the lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the calendar year ending December 15, 2020. The Organization is currently in the process of evaluating the impact that ASU 2016-02 will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU are intended to clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. An exchange transaction will be considered by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The standard will be effective for the fiscal years beginning after December 15, 2018. The Organization is currently in the process of evaluating the impact that ASU 2018-08 will have on the financial statements.

Note 2—Campaign promises to give, net

Campaign promises to give at June 30, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Campaign promises to give, 2019/2020 campaign	\$ 139,645	\$ 11,400
Campaign promises to give, 2018/2019 campaign	780,124	85,500
Campaign promises to give, 2017/2018 campaign	6,020,317	302,907
Campaign promises to give, 2016/2017 campaign	-	6,588,277
Campaign promises to give, net	<u>\$ 6,940,086</u>	<u>\$ 6,988,084</u>

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

Note 3—Investments

Investments at June 30, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Cash and money market funds	\$ 51,218	\$ 300,522
Certificates of deposit	8,500,000	2,100,000
Mutual funds:		
Balanced Global Funds	1,026,181	933,137
International Fixed Income Funds	566,770	601,360
Domestic Fixed Income Funds	1,549,221	1,601,839
International Equity Funds	1,173,652	1,160,630
Domestic Large Cap Equity Funds	3,199,904	2,850,419
Domestic Small Cap Equity Funds	698,928	678,239
Beneficial interest in assets held by United Way		
Legacy Foundation at the Foundation for the Carolinas ("FFTC")	1,996,545	3,464,173
Total investments	<u>\$ 18,762,419</u>	<u>\$ 13,690,319</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 statements of financial position.

United Way Legacy Foundation – The Organization has established an endowment that is administered by the United Way Legacy Foundation ("Legacy Foundation"), a supporting organization of FFTC. 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 statements of financial position. The endowed assets, including gains and losses, are recorded as unrestricted net assets. The fair value of the endowed assets at June 30, 2018 and 2017 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 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, 2018 and 2017 and changes in the endowment net assets are presented in Note 14.

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

Note 3—Investments (continued)

The following is a summary of investment return and losses for the years ended June 30, 2018 and 2017:

	2018	2017
Interest and dividends, net of fees	\$ 248,587	\$ 325,408
Change in value of beneficial interest in assets	269,243	431,952
Net change in fair value of investments, including realized and unrealized gains	<u>382,568</u>	<u>689,965</u>
Investment gain, net	900,398	1,447,325
Interest earned on cash deposits	<u>66,930</u>	<u>11,629</u>
Total investment return, net	<u>\$ 967,328</u>	<u>\$ 1,458,954</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.

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 financial statements.

Note 4—Property, net

The components of property, net at June 30, 2018 and 2017 consisted of the following:

	2018	2017
Land and land improvements	\$ 15,000	\$ 225,925
Building and building improvements	796,549	2,625,743
Equipment	<u>825,117</u>	<u>1,592,587</u>
Total	1,636,666	4,444,255
Less accumulated depreciation	<u>(1,542,051)</u>	<u>(4,088,603)</u>
Property, net	<u>\$ 94,615</u>	<u>\$ 355,652</u>

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

Note 4—Property, net (continued)

The Organization sold property during fiscal year 2018 which resulted in a gain of \$9,711,641 which was fully recognized in the current fiscal year on the accompanying financial statements. The Organization is currently leasing the property from the buyer over three years and is included in the Operating Lease Note 11.

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, 2018 and 2017, unrestricted net assets of approximately \$960,000 and \$2,500,000, respectively, were appropriated for endowment purposes. 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, 2018 and 2017 included the following:

	<u>2018</u>	<u>2017</u>
Time restrictions:		
Campaign contributions promised or received in advance	\$ 507,953	\$ 441,947
Accumulated earnings on endowment assets	186,626	158,335
Purpose restrictions:		
Tutor Charlotte	176,855	25,479
Days of Caring	5,000	7,350
Engagement Groups	22,500	-
Community Food Security Initiatives	86,800	-
Publix Last Resort Fund	80,834	53,775
Total temporarily restricted net assets	<u>\$ 1,066,568</u>	<u>\$ 686,886</u>

Note 7—Permanently restricted net assets

Permanently restricted net assets at June 30, 2018 and 2017 included the following:

	<u>2018</u>	<u>2017</u>
Giles endowment	\$ 100,000	\$ 100,000
Cato endowment for education training fund	300,000	300,000
McIntyre Legacy endowment	430,439	430,439
Rutledge endowment	20,000	20,000
Mattison-Boyd endowment	707	707
	<u>\$ 851,146</u>	<u>\$ 851,146</u>

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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, 2018 and 2017 as follows:

	<u>2018</u>	<u>2017</u>
Expiration of time restrictions:		
Campaign contributions promised	\$ 345,047	\$ 275,581
Endowments	-	13,014
Total expiration of time restrictions	<u>\$ 345,047</u>	<u>\$ 288,595</u>
Satisfaction of purpose restrictions:		
Tutor Charlotte	\$ -	\$ 24,520
Days of Caring	7,350	3,340
Endowment Grants	40,000	-
Publix Last Resort Fund	-	1,334
Total satisfaction of purpose restrictions	<u>\$ 47,350</u>	<u>\$ 29,194</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, including employees of each company, contributed approximately 49% and 48% of campaign revenue during the years ended June 30, 2018 and 2017, respectively. The top five client companies, including employees of each company, make up approximately 30% and 33% of the campaign promises to give balances as of June 30, 2018 and 2017, 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 \$5,484,000 and \$4,374,000 of cash and cash equivalents in excess of these insured amounts at June 30, 2018 and 2017, respectively.

UNITED WAY OF CENTRAL CAROLINAS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

Note 10—Benefit plan

The Organization 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 100% of each employee's contribution up to a maximum of 3% of eligible compensation. The Organization made contributions to the 403(b) plan of \$163,210 and \$148,876 for the years ended June 30, 2018 and 2017, respectively.

Note 11—Lease commitments

The Organization leases certain office facilities and equipment under operating lease agreements. Rental expense under these leases totaled \$384,165 and \$60,243 for the years ended June 30, 2018 and 2017, respectively. Aggregate future minimum lease payments under such leases are as follows:

Years Ending June 30:

2019	\$	697,212
2020		701,597
2021		359,601
2022		6,683
2023		92
	\$	<u>1,765,185</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 FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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. The types of financial instruments which would generally be included in Level 3 are listed as beneficial interest in assets.

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, 2018 and 2017, 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, 2018:				
Investments:				
Cash and money market funds	\$ 51,218	\$ -	\$ -	\$ 51,218
Certificate of deposit	8,500,000	-	-	8,500,000
Mutual funds	8,214,656	-	-	8,214,656
Beneficial interest in assets	-	-	1,996,545	1,996,545
	<u>\$ 16,765,874</u>	<u>\$ -</u>	<u>\$ 1,996,545</u>	<u>\$ 18,762,419</u>
	<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 assets	-	-	3,464,173	3,464,173
	<u>\$ 10,226,146</u>	<u>\$ -</u>	<u>\$ 3,464,173</u>	<u>\$ 13,690,319</u>

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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, 2018 and 2017, endowment pledges receivable of approximately \$1,000 and \$4,000, 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, 2018:				
Donor-restricted endowment funds	\$ -	\$ 186,626	\$ 849,713	\$ 1,036,339
Unrestricted donor advised funds	960,206	-	-	960,206
Total funds	<u>\$ 960,206</u>	<u>\$ 186,626</u>	<u>\$ 849,713</u>	<u>\$ 1,996,545</u>
June 30, 2017:				
Donor-restricted endowment funds	\$ -	\$ 158,335	\$ 847,379	\$ 1,005,714
Unrestricted donor advised funds	2,458,459	-	-	2,458,459
Total funds	<u>\$ 2,458,459</u>	<u>\$ 158,335</u>	<u>\$ 847,379</u>	<u>\$ 3,464,173</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 FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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, 2018 and 2017 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2017	\$ 2,458,459	\$ 158,335	\$ 847,379	\$ 3,464,173
Contributions	795	-	2,334	3,129
Approved grants	-	(40,000)	-	(40,000)
Transfers	(1,700,000)	-	-	(1,700,000)
Change in beneficial interests in assets, net of expenses	<u>200,952</u>	<u>68,291</u>	<u>-</u>	<u>269,243</u>
Endowment net assets, June 30, 2018	<u>\$ 960,206</u>	<u>\$ 186,626</u>	<u>\$ 849,713</u>	<u>\$ 1,996,545</u>

UNITED WAY OF CENTRAL CAROLINAS
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

Note 14—Endowment funds (continued)

	<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 assets, net of expenses	326,336	105,616	-	431,952
Endowment net assets, June 30, 2017	<u>\$ 2,458,459</u>	<u>\$ 158,335</u>	<u>\$ 847,379</u>	<u>\$ 3,464,173</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, 2018 and 2017, the fair value of each individual fund approximated corpus.

Note 15—Subsequent events

The Organization has evaluated subsequent events through November 1, 2018, in connection with the preparation of these financial statements, which is the date the 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, 2018 AND 2017

Management calculates the overhead rate in accordance with the United Way of America Functional Expenses and Overhead Reporting Standards as follows:

	2018	2017
Total support, revenue, and reclassifications	\$ 28,756,468	\$ 20,221,786
Plus current campaign year donor designations, net of provision for uncollectibles (2017 and 2016 campaigns, respectively)	9,166,937	10,289,974
Plus unrealized gains on investments and beneficial interest in assets	(550,505)	(876,893)
	<u>\$ 37,372,900</u>	<u>\$ 29,634,867</u>
Total supporting services	4,832,000	4,535,959
Plus investment expenses	12,042	-
	<u>\$ 4,844,042</u>	<u>\$ 4,535,959</u>
Overhead rate	<u>13.0%</u>	<u>15.3%</u>

Due to an unusual and nonrecurring sale of real property, management has calculated an alternate version of the overhead rate to exclude the gain from this sale as follows:

	2018	2017
Total support, revenue, and reclassifications	\$ 28,756,468	\$ 20,221,786
Plus current campaign year donor designations, net of provision for uncollectibles (2017 and 2016 campaigns, respectively)	9,166,937	10,289,974
Plus unrealized gains on investments and beneficial interest in assets	(550,505)	(876,893)
Less gain on sale of property	(9,711,641)	-
	<u>\$ 27,661,259</u>	<u>\$ 29,634,867</u>
Total supporting services	4,832,000	4,535,959
Plus investment expenses	12,042	-
	<u>\$ 4,844,042</u>	<u>\$ 4,535,959</u>
Overhead rate	<u>17.5%</u>	<u>15.3%</u>