

**UNITED WAY OF CARLISLE
&
CUMBERLAND COUNTY
AND
UNITED WAY ENDOWMENT FUND
OF CARLISLE PENNSYLVANIA

FINANCIAL REPORT**

JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of Carlisle & Cumberland County
and United Way Endowment Fund of Carlisle Pennsylvania
Carlisle, Pennsylvania

Report on the Financial Statements

We have audited the accompanying consolidated statement of financial position of the United Way of Carlisle & Cumberland County and United Way Endowment Fund of Carlisle Pennsylvania as of June 30, 2017, and the related consolidated statement of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 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 consolidated statement of financial position of the United Way of Carlisle & Cumberland County and United Way Endowment Fund of Carlisle Pennsylvania as of June 30, 2016, and the results of its operations and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the United Way of Carlisle & Cumberland County and United Way Endowment Fund of Carlisle Pennsylvania's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 8, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The supplementary information included in the schedule of disbursements by category is presented for the purpose of additional analysis and is not a required part of the financial statement. 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 audits 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.

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Camp Hill, Pennsylvania
October 3, 2017

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2017 (with comparative totals for 2016)**

ASSETS	2017	2016
Current Assets		
Cash and cash equivalents	\$ 907,730	\$ 1,127,335
Pledges receivable, net allowance for uncollectible pledges of \$32,371 and \$35,968 at June 30, 2017 and 2016, respectively	261,108	267,488
Other receivables	3,867	942
Prepaid expenses	9,497	3,771
Total current assets	1,182,202	1,399,536
Property and Equipment		
Land	55,239	55,239
Building and improvements	500,585	500,985
Equipment and furniture	52,736	59,119
Less accumulated depreciation	(307,361)	(300,143)
	301,199	315,200
Other Assets		
Beneficial interest in split-interest agreements, Endowment Funds and Board Designated Investments	3,627,783	3,179,423
Total assets	\$ 5,111,184	\$ 4,894,159

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	2017	2016
Current Liabilities		
Allocations payable	\$ 322,250	\$ 334,601
Donor choice allocations payable	165,050	150,032
Accounts payable	28,902	36,981
Deferred revenue	1,660	3,250
Compensated absences	10,510	11,248
Payroll taxes and withholdings	7,245	4,107
Total current liabilities	535,617	540,219
Net Assets		
Unrestricted		
Unappropriated	927,686	926,314
Board appropriated	35,549	28,692
Total Unrestricted	963,235	955,006
Temporarily restricted	184,549	199,096
Permanently restricted	3,427,783	3,199,838
Total net assets	4,575,567	4,353,940
Total liabilities and net assets	\$ 5,111,184	\$ 4,894,159

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARISLE PENNSYLVANIA**

**CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2017 (with comparative totals for 2016)**

	Unrestricted	Temporarily Restricted
Public Support and Revenue		
Gross Campaign Results (2016/2017)	\$ 1,311,065	\$ -
Gross Campaign Results in prior year - released from restriction (less donor designations)	46,612 (538,644)	(46,612) -
Net Campaign Revenue (2016/2017)	<u>819,033</u>	<u>(46,612)</u>
Gross Campaign Results (2017/2018)	-	49,677
Special Events - net	29,884	-
An Evening for the Children Gala	45,481	-
Less: costs of direct benefit to donors	(19,192)	-
An Evening for the Children Gala-net	<u>26,289</u>	<u>-</u>
Other Contributions		
Endowment	-	-
Bequests	-	-
Corporate sponsorships	19,780	-
Loss on liquidation of contributed investments	(973)	-
Collections over prior years' estimated receivables	8,529	-
In-kind contributions	27,826	-
Total other contributions	<u>55,162</u>	<u>-</u>
Designations from other United Ways	24,152	-
Service fee income	5,232	-
Grants	-	131,666
Investment Income		
Trust and Endowment Fund income	57,446	-
Interest income	3,506	-
Unrealized gain (loss) on investments	-	-
Total investment income	<u>60,952</u>	<u>-</u>
Rental income	11,830	-
Loss on disposal of fixed assets	(966)	-
Miscellaneous income	1,697	-
Other net assets released from restrictions	<u>250,924</u>	<u>(149,278)</u>
Total revenue, gains and other support	<u>1,284,189</u>	<u>(14,547)</u>

(Continued)

Permanently Restricted	Total 2017	Total 2016
\$ -	\$ 1,311,065	\$ 1,278,468
-	-	-
-	(538,644)	(523,795)
-	772,421	754,673
-	49,677	46,612
-	29,884	26,922
-	45,481	48,102
-	(19,192)	(16,847)
-	26,289	31,255
12,507	12,507	11,170
-	-	200,000
-	19,780	26,000
-	(973)	(1,299)
-	8,529	11,524
-	27,826	51,949
12,507	67,669	299,344
-	24,152	29,198
-	5,232	3,209
-	131,666	134,636
193,581	251,027	101,490
-	3,506	3,385
123,503	123,503	(143,177)
317,084	378,036	(38,302)
-	11,830	12,390
-	(966)	(5,481)
-	1,697	926
(101,646)	-	-
227,945	1,497,587	1,295,382

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

**CONSOLIDATED STATEMENT OF ACTIVITIES (Continued)
Year Ended June 30, 2017 (with comparative totals for 2016)**

	Unrestricted	Temporarily Restricted
Allocations and Expenses		
Program Services		
Gross funds allocated/distributed:		
2016 campaign	1,228,252	-
Omit an agency	884	-
Total gross funds allocated/distributed	1,229,136	-
(less donor designations)	(538,644)	-
Net Funds allocated/distributed	690,492	-
Community Impact/Member Agency Relations	136,903	-
Success by Six	147,903	-
Total Program Services	975,298	-
Supporting Services		
Management and general	197,239	-
Fundraising	103,423	-
Total supporting services	300,662	-
Total allocations and expenses	1,275,960	-
Changes in net assets	8,229	(14,547)
Net Assets:		
Beginning	955,006	199,096
Ending	<u>\$ 963,235</u>	<u>\$ 184,549</u>

See Notes to Financial Statements.

Permanently Restricted	Total 2017	Total 2016
-	1,228,252	1,228,369
-	884	2,452
-	1,229,136	1,230,821
-	(538,644)	(523,795)
-	690,492	707,026
-	136,903	149,803
-	147,903	102,438
-	975,298	959,267
-	197,239	186,806
-	103,423	125,802
-	300,662	312,608
-	1,275,960	1,271,875
227,945	221,627	23,507
3,199,838	4,353,940	4,330,433
\$ 3,427,783	\$ 4,575,567	\$ 4,353,940

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2017 (with comparative totals for 2016)

	Program Services		
	Community Impact/Member		Total Program
	Agency Relations	Success by Six	
Salaries	\$ 74,168	\$ 15,358	\$ 89,526
Payroll taxes	6,990	1,991	8,981
Employee benefits	12,702	1,700	14,402
	<u>93,860</u>	<u>19,049</u>	<u>112,909</u>
Office expense/supplies	3,262	9,952	13,214
Printing and copying	886	-	886
Postage and shipping	641	8	649
Telephone and networks	1,446	347	1,793
Occupancy	6,329	1,521	7,850
Accounting fees	-	-	-
Insurance	1,729	415	2,144
Travel and meals	477	-	477
Communications/marketing	9,947	-	9,947
Training and program supplies	-	876	876
Meetings and conferences	470	-	470
Childcare scholarships	-	112,733	112,733
Miscellaneous expense	1,056	-	1,056
Campaign expenses	-	-	-
Contract services/Other UW	1,881	-	1,881
Gala indirect expenses	-	-	-
Technology expenses	2,426	-	2,426
Interest expense	-	-	-
United Way dues	8,112	1,949	10,061
Depreciation	4,381	1,053	5,434
Total functional expenses	<u>\$ 136,903</u>	<u>\$ 147,903</u>	<u>\$ 284,806</u>

See Notes to Financial Statements.

Support Services

Management and General	Fundraising	Total Support	Total 2017	Total 2016
\$ 101,257	\$ 38,254	\$ 139,511	\$ 229,037	\$ 223,466
10,086	3,061	13,147	22,128	21,816
16,411	7,482	23,893	38,295	39,779
127,754	48,797	176,551	289,460	285,061
3,778	2,357	6,135	19,349	17,910
1,026	641	1,667	2,553	4,193
742	463	1,205	1,854	1,691
1,675	698	2,373	4,166	3,520
7,330	3,055	10,385	18,235	16,477
18,875	-	18,875	18,875	14,850
2,002	834	2,836	4,980	4,682
552	344	896	1,373	1,014
11,520	7,190	18,710	28,657	48,632
-	-	-	876	4,092
544	339	883	1,353	1,569
-	-	-	112,733	67,557
1,222	763	1,985	3,041	1,688
-	28,014	28,014	28,014	33,240
2,179	1,360	3,539	5,420	6,654
-	786	786	786	537
2,810	1,754	4,564	6,990	7,249
761	-	761	761	1,318
9,395	3,915	13,310	23,371	23,935
5,074	2,113	7,187	12,621	18,980
\$ 197,239	\$ 103,423	\$ 300,662	\$ 585,468	\$ 564,849

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended June 30, 2017 (with comparative totals for 2016)

	2017	2016
Cash Flows From Operating Activities		
Changes in net assets	\$ 221,627	\$ 23,507
Gross Campaign Results (2017/2016)		
to net cash provided by operating activities		
Depreciation	12,621	18,980
Loss on disposal of fixed assets	966	5,481
Net realized and unrealized (gain) loss on investments	-	60,202
Permanently restricted contributions received	(12,507)	(11,170)
Decrease (increase) in value of and split-interest agreements	(80,218)	98,618
Changes in assets and liabilities:		
(Increase) decrease in:		
Pledges receivable	6,380	22,306
Other receivable	(2,925)	3,350
Prepaid expenses	(5,726)	3,278
(Decrease) increase in:		
Allocations payable	2,667	49,442
Accounts payable	(8,079)	17,113
Accrued expenses	2,400	(1,443)
Net cash provided by operating activities	135,616	291,214
Cash Flows From Investing Activities		
Purchase of investments	(212,507)	(11,170)
Proceeds from sale of investments	(155,635)	38,950
Purchases of property and equipment	414	(20,078)
Net cash (used in) provided by investing activities	(367,728)	7,702
Cash Flows From Financing Activities		
Repayment of note payable	(20,415)	(10,890)
Receipts from note receivable	20,415	10,890
Permanently restricted contributions received	12,507	11,170
Net cash provided by financing activities	12,507	11,170
Net (decrease) increase in cash and cash equivalents	(219,605)	310,086
Cash and Cash Equivalents:		
Beginning	1,127,335	817,249
Ending	\$ 907,730	\$ 1,127,335
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for interest	\$ 761	\$ 1,318

See Notes to Financial Statements.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Activities: The United Way of Carlisle & Cumberland County (the United Way) was founded in 1918 as the "Patriotic and Benevolent" fund and is one of the oldest in the country. Since its founding, it has also been known as the Community Chest, the United Fund and the United Way of the Greater Carlisle Area. The United Way of Carlisle & Cumberland County was incorporated in 1960.

Our mission is to "unite people and resources to build a stronger, healthier Carlisle and Cumberland County." The annual campaign provides allocations to member partners and also distributes donor designated gifts. Beyond this financial support, partnerships with the private, public and nonprofit sectors allow issues of importance to be addressed and resolved. In-kind gifts, training and grants allow for increased and more effective services.

The United Way Endowment Fund of Carlisle Pennsylvania (the Endowment Fund) was established with the ultimate goal to cover all operational costs through income from sources such as endowment interest, thereby freeing all campaign income for needed health and human care services. See additional information on the Endowment Fund in Note 6.

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of the United Way and the Endowment Fund. The Fund exclusively supports programs and activities of the United Way. Some of the members of the board of directors of the United Way serve as board of directors for the Endowment Fund, and, as such, exercise control over the operations of the Endowment Fund. All material intercompany transactions have been eliminated in the consolidated financial statements.

Basis of Presentation: The United Way and the Endowment Fund financial statement presentation follows the recommendations of Accounting Standards Codification (ASC) No. 958, "Not-for-Profit Entities." The United Way is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the United Way is required to present the Statement of Cash Flows. Under the provisions of ASC No. 958, net assets and changes therein are classified and reported, based on the existence or absence of donor-imposed stipulations as follows:

Unrestricted - Unrestricted net assets may be used for any purpose. They are not restricted by donor-imposed stipulations.

Temporarily restricted - Net assets whose use by the organization is subject to donor-imposed stipulations that will be met either by action of the Center or the Fund and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the Statement of Activities as net assets released from restrictions.

Permanently restricted - Net assets subject to permanent donor-imposed stipulations that they be maintained permanently. Generally, the donors of such assets permit the Center or the Fund to use all or part of the income earned on these assets for general and specific purposes.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Annual Campaign: Annual fundraising campaigns are conducted each fall to generate funds to support operations and to provide allocations to member agencies.

Cash and Cash Equivalents: For purposes of the Statements of Cash Flows, the United Way considers all unrestricted highly-liquid investments with an initial maturity of three months or less to be cash equivalents, except for cash or money market accounts held by external managers. Cash equivalents at June 30, 2017 and 2016; consist of money market funds in accounts at local financial institutions.

Office Furnishings and Equipment: Office furnishings and equipment are stated at cost and depreciated on the straight-line method based on useful lives of 5 to 20 years. Donated furnishings and equipment received in-kind are capitalized and recorded at fair market value at the time of the gift.

Major improvements are capitalized and depreciated. Maintenance and normal repairs are expensed as incurred. Items sold or retired are eliminated from the cost and accumulated depreciation accounts and any resulting gains or losses are included in results of operations.

Pension Plan: The United Way maintains a Simplified Employee Pension Plan, open to all eligible participants. Contributions to the Plan are computed at 7% of 15,082 and \$15,578 for the years ended June 30, 2017 and 2016, respectively.

Accrued Vacation: The United Way employees are entitled to certain compensated absences, sick leave and vacation time as more fully described in Note 18.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Income Taxes: The United Way and the Endowment Fund qualify as a tax-exempt Organization under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for Federal income taxes has been established.

Management has assessed the Organization's exposure to income taxes at the entity level as a result of uncertain tax positions taken in current and previously filed tax returns. Examples of tax positions taken at the entity level include the continuing validity of its exempt organization status, potential filing requirement for unrelated business income and other tax positions that could result in income tax liabilities to the Organization upon examination by taxing authorities. Presently, management believes that it is more likely than not its tax position will be sustained upon examination, including any appeals and litigation, such that the Organization has no exposure to income tax liabilities from uncertain tax positions. The Organization is no longer subject to federal, state or local income tax examination by tax authorities.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Investments: The United Way reports investments in equity securities with readily determinable fair values and all investments in debt securities at fair values with gains and losses included in the Statement of Activities.

Contributions: Gifts of cash and other assets are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, 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 Statement of Activities as net assets released from restrictions.

Gifts of land, buildings and equipment are presented as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the United Way reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

UWWW Cost Deduction Standards: United Way Worldwide has created a uniform standard for deducting fundraising and management and general expenses from donor pledges. The United Way of Carlisle & Cumberland County has made a commitment to comply with this standard.

Subsequent Events: Subsequent events have been evaluated through October 3, 2017, which is the date the financial statements were available to be issued.

Note 2. Unconditional Promises to Give

Unconditional promises to give represent pledges remaining from the annual campaign that are expected to be collected within one year and are recorded at net realizable value. Each year management estimates an allowance for uncollectible pledges based on past collection experience and on current economic conditions. The allowance recorded as of June 30, 2017 and 2016, is estimated at 2.25% and 2.5% of actual pledges, respectively.

	2017	2016
Total Pledges Receivable - within one year	\$ 293,479	\$ 303,456
Less allowance for uncollectible pledges	<u>(32,371)</u>	<u>(35,968)</u>
Amount on Statements of Financial Position	<u>\$ 261,108</u>	<u>\$ 267,488</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 3. Allocations

Allocations payable consist of amounts committed to partner agencies through December 31, 2017, but not paid as of June 30, 2017.

Allocations expense represents amounts from the 2016 Campaign paid to agencies January through June 2016, and amounts committed from the 2016 Campaign that will be paid July through December 2017.

Note 4. Functional Expense Allocations

The United Way allocates expenses not associated with allocations to agencies, other identified programs, and United Way dues based on actual time and cost studies. The United Way has identified four functional areas to which expenses are allocated as follows:

Community Impact and Member Agency Relations - Costs incurred to provide assistance to community non-profit agencies in their operation or start-up. Expenses incurred for year round education of donors including supporting activities with partner agencies and fund distribution determination.

Success by Six - Costs incurred to provide training and mentoring to child care providers to improve the quality of child care in the greater Carlisle area. Expenses incurred to educate area businesses, parents and the general public about issues in early learning. Also, costs associated with school readiness and the coordination of efforts between providers and school districts.

Management and General - Administrative and operational costs of managing the United Way offices.

Fundraising - Expenses associated with the annual campaign and other fundraising activities.

Management reviews functional expense allocations regularly throughout the year.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 5. In-Kind Donations

The United Way received donated use of certain facilities it occupies, professional services, supplies and equipment. These donations are recorded at fair market value at the date they are received. These transactions are considered to be noncash transactions for purposes of the Statements of Cash Flows. For the years ended June 30, 2017 and 2016, in-kind contributions were as follows:

	2017	2016
Contributions		
Donated advertising	\$ 18,511	\$ 43,154
Donated services and use of facility	7,815	7,295
Donated supplies	1,500	1,500
	<u>\$ 27,826</u>	<u>\$ 51,949</u>
Expenses		
Programs and support	\$ 26,326	\$ 50,449
Direct donor benefit	1,500	1,500
	<u>\$ 27,826</u>	<u>\$ 51,949</u>

The United Way receives donated services in the form of volunteerism. No amounts have been reflected in the financial statements for volunteer services since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time to the United Way's programs and fundraising efforts.

The United Way of Carlisle & Cumberland County is in a unique position to connect agencies with people and organizations that have items to donate. Other "matches" of donated items to agencies are regularly made on an as-needed or requested basis. The values of in-kind donations which are passed through the United Way are not recognized as contributions by the United Way since these items do not create any value for the United Way.

Note 6. Beneficial Interest in Split-Interest Trusts, Endowment Fund and Board Designated Investment

The United Way is the beneficiary of income generated by three split-interest trusts and the Endowment Fund, (consisting of the Brenneman endowment and the United Way perpetual endowment fund trust) created to provide future financial benefits to the United Way. The split-interest trusts and the Endowment Fund are held and managed by the trust departments of local financial institutions.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 6. Beneficial Interest in Split-Interest Trusts, Endowment Fund and Board Designated Investment (Continued)

Trust income, reflected in the financial statements as support, represents amounts received from the split-interest trusts and the endowment fund in which the United Way is entitled to a specified share of the income.

The United Way is entitled to one-sixth of the income less allowed expenses generated from two split-interest trust funds and is entitled to one-tenth of the income less expenses of one split-interest trust fund.

The United Way perpetual endowment fund trust allows the distribution based on a “Total Return” approach, the Brenneman endowment allows for the income of the trust to be distributed.

The following schedule shows the value of the Endowment Fund/Board Designated Investment and each of the split-interest trusts:

	2017	2016
United Way Endowment/Board Designated Investment	\$ 2,206,806	\$ 1,841,309
Endowment Note Receivable	-	20,415
Brenneman Endowment	232,157	229,512
Total Endowments	2,438,963	2,091,236
Roger K. Todd Trust	473,352	440,515
Naomi Watson Trust	316,421	294,309
Albert Watson Trust	399,047	373,778
Elimination for consolidation	-	(20,415)
	<u>\$ 3,627,783</u>	<u>\$ 3,179,423</u>

The following schedule shows the net increase (decrease) for the Endowment Fund/Board Designated Investment and each of the split-interest trusts:

	2017	2016
United Way Endowment/Board Designated Investment	\$ 365,497	\$ (101,354)
Endowment Note Receivable	(20,415)	(10,890)
Brenneman Endowment	2,645	13,372
Total Endowments	347,727	(98,872)
Roger K. Todd Trust	32,837	(19,805)
Naomi Watson Trust	22,112	(31,591)
Albert Watson Trust	25,269	(47,222)
	<u>\$ 427,945</u>	<u>\$ (197,490)</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 6. Beneficial Interest in Split-Interest Trusts, Endowment Fund and Board Designated Investment (Continued)

The following schedule shows the income received from the Endowment Fund/Board Designated Investment and each of the split-interest trusts:

	2017	2016
United Way Endowment/Board Designated Investment	\$ 97,600	\$ 97,352
Brenneman Endowment	4,046	803
Total Endowments	101,646	98,155
Roger K. Todd Trust	22,113	22,533
Naomi Watson Trust	12,000	17,335
Albert Watson Trust	23,333	28,950
	<u>\$ 159,092</u>	<u>\$ 166,973</u>

The following schedule shows the carrying value basis for the Endowment Fund/Board Designated Investment and each of the split-interest trusts:

	2017	2016
United Way Endowment/Board Designated Investment	\$ 2,016,984	\$ 1,764,904
Brenneman Endowment	219,009	216,567
Total Endowments	2,235,993	1,981,470
Roger K. Todd Trust	351,928	374,006
Naomi Watson Trust	274,471	283,537
Albert Watson Trust	348,409	367,923
	<u>\$ 3,210,801</u>	<u>\$ 3,006,936</u>

In August 2008, FASB issued Staff Position No. 117-1, Endowments of Not-for-Profit Organizations: Net Asset Classifications of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act [UPMIFA] and Enhanced Disclosures for all Endowment Funds (FSP).

Much of the guidance in the FSP relates to revisions to the rules governing the accounting for donor restricted endowment funds subject to UPMIFA. The state of Pennsylvania has not adopted UPMIFA. Nonprofit corporations in Pennsylvania follow Act 141. Under Act 141, a nonprofit corporation can elect to adopt and follow a “total return” investment policy, i.e., a policy to seek the best total return on the principal whether from capital appreciation, earnings or both.

Consistent with Donor expectations and the Board’s view that the United Way Endowment Fund’s purpose is to provide ongoing funding to defray the administrative costs associated with the operations of the United Way and ultimately to provide funds for distribution to Partner Agencies in addition to those raised by the United Way’s Annual Campaign, the Endowment Investment Committee expects that distributions from the Endowment Fund will be based on a “Total Return” approach.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 6. Beneficial Interest in Split-Interest Trusts, Endowment Fund and Board Designated Investment (Continued)

This approach will take into account both income in the form of earnings on the Fund and capital appreciation, both realized and unrealized. The spending policy for the Endowment in lieu of paying income (interest and dividends) only would be an election to pay between 2% and 7% of the fair market value of the entire trust, averaged over the prior three fiscal years ending June 30th. The amount distributed to the Organization is recorded as an increase in Unrestricted Net Assets since the monies are to be used to pay for the operations of the Organization. For the year ended June 30, 2017, the Board approved 5% as the income percentage.

The income from the Brenneman endowment is to benefit neglected children in the Village of Boiling Springs, the Borough of Carlisle and adjacent areas, the interest and dividend income, less management fee, will be paid out to the United Way of Carlisle and Cumberland County at least annually.

The overall objectives for the Endowment Funds are to invest the Endowment Fund in accordance with any legally applicable donor or statutory restrictions, with an emphasis on growth of principal and to ensure stability. The investment guidelines are based upon an investment horizon of greater than ten years, so that interim fluctuations should be viewed with appropriate perspective. Similarly, the Endowment Fund's strategic allocation is based on this long-term perspective. Long-term growth is the primary objective and investment therefore should be directed toward overall appreciation by maximizing the total investment return over this extended horizon. The Board requires that the assets of the Endowment Funds be invested in a prudent manner, in a broadly diversified portfolio spread over multiple asset classes.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 6. Beneficial Interest in Split-Interest Trusts, Endowment Fund and Board Designated Investment (Continued)

The following schedule shows the Endowment Funds / Board Designated Investment activity:

The Endowment Fund net assets are classified as permanently restricted for both the years ended June 30, 2017 and 2016, respectively. The Board Designated Investment is classified as Unappropriated/Unrestricted nets assets for June 30, 2017.

	2017	2016
Endowment Fund, at beginning of period	\$ 2,091,236	\$ 2,190,108
Contributions	12,507	11,170
Transfer from reserve account	200,000	-
Investment Returns		
Investment income	52,901	69,911
Realized gain (loss)	164,941	(15,643)
Unrealized gains (loss)	43,285	(44,559)
Net investment income	261,127	9,709
Investment fees	(24,261)	(21,596)
Amounts appropriated for expenditure	(101,646)	(98,155)
Endowment Fund, at end of period	<u>\$ 2,438,963</u>	<u>\$ 2,091,236</u>
Net Asset Classification		
Permanently Restricted	<u>\$ 2,238,963</u>	<u>\$ 2,091,236</u>
Unappropriated / Unrestricted	<u>\$ 200,000</u>	<u>\$ -</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 7. Fair Value Measurements

The Fair Value Measurement Topic of FASB Accounting Standards Codification (ASC 820) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The assets that are recorded at fair value on a recurring basis are investments including the Endowment Fund and split-interest trusts. The Organization has no financial liabilities or non-financial items that are recorded at fair value on a recurring basis. Following is a description of the valuation methodologies used for assets measured at fair value.

Cash Equivalents: Valued using a pricing model or series of matrices based on standard inputs which may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications.

Common stocks, foreign stocks and mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 7. Fair Value Measurements (Continued)

U.S. Government, Municipal, Corporate bonds and notes: Valued using a multi-dimensional relational model based on standard inputs which may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications.

Other: Valued using pricing models and or/discounted cash flow methodologies which require significant management judgment or estimation.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value:

	6/30/2017	Fair Value at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents	\$ 158,571	\$ -	\$ 158,571	\$ -
Trading Securities				
U.S. Govt., municipal and Corporate bonds and notes				
Corporate and foreign bonds	131,340	131,340	-	-
Municipal bonds and notes	132,817	132,817	-	-
Taxable fixed income	353,066	353,066	-	-
Closed end fixed income	41,402	41,402	-	-
Common stock and mutual funds				
Domestic equity mutual funds	756,642	756,642	-	-
International closed end funds	127,455	127,455	-	-
Global funds	41,124	41,124	-	-
International funds	125,336	125,336	-	-
Closed-end equity mutual funds	571,210	571,210	-	-
Beneficial interest in perpetual trusts	1,188,820	-	-	1,188,820
	<u>\$ 3,627,783</u>	<u>\$ 2,280,392</u>	<u>\$ 158,571</u>	<u>\$ 1,188,820</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 7. Fair Value Measurements (Continued)

	6/30/2016	Fair Value at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents	\$ 150,972	\$ -	\$ 150,972	\$ -
Trading Securities				
U.S. Govt., municipal and Corporate bonds and notes				
Corporate and foreign bonds	135,629	135,629	-	-
Municipal bonds and notes	137,541	137,541	-	-
Taxable fixed income	245,340	245,340	-	-
Closed end fixed income	42,585	42,585	-	-
Common stock and mutual funds				
Domestic equity mutual funds	739,429	739,429	-	-
International closed end funds	43,261	43,261	-	-
Global funds	34,660	34,660	-	-
International funds	252,343	252,343	-	-
Closed-end equity mutual funds	289,061	289,061	-	-
Held-to-Maturity Securities				
Internal organizational note	20,415	-	-	20,415
Beneficial interest in perpetual trusts	1,108,602	-	-	1,108,602
	3,199,838	1,919,849	150,972	1,129,017
Consolidating elimination of internal organizational note	(20,415)	-	-	(20,415)
	<u>\$ 3,179,423</u>	<u>\$ 1,919,849</u>	<u>\$ 150,972</u>	<u>\$ 1,108,602</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 7. Fair Value Measurements (Continued)

The table below sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the year ended June 30, 2017;

	Internal Organization Note	Beneficial Interest in Perpetual Trusts
Balance, beginning of year	\$ 20,415	\$ 1,108,602
Purchases, sales, issuances and settlements (net)	(20,415)	137,664
Investment income distributed	-	(57,446)
Balance, end of year	<u>\$ -</u>	<u>\$ 1,188,820</u>

Note 8. Net Assets

Temporarily restricted net assets consist of time restricted contributions and purpose restricted contributions. Temporarily restricted net assets consist of the following at June 30:

	2017	2016
Future campaign	\$ 49,677	\$ 46,612
Heating Coalition	-	135
Neighbor to Neighbor	2,700	2,700
Sponsorship	5,500	5,500
Student Council	1,377	1,377
Summer Youth	-	718
Success by Six programs	118,745	130,924
Taking it to the Streets	3,235	4,168
Women's Leadership Council	3,315	6,962
	<u>\$ 184,549</u>	<u>\$ 199,096</u>

Permanently restricted net assets consist of endowment and split-interest trust fund investments to be held indefinitely. The income from these funds is unrestricted, except for the Brenneman endowment, which is restricted to benefitting neglected children in the Village of Boiling Springs, the Borough of Carlisle and surrounding area.

As of June 30, 2017, the Board has designated \$35,549, to be used for future capital improvements.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 9. Notes Payable

The United Way has a line-of-credit available from M&T Bank in the amount of \$300,000. The interest rate is the bank's prime rate. There were no borrowings against this line at June 30, 2017.

The United Way has a demand note payable in the original amount of \$185,000 from the United Way Endowment Fund, the proceeds of which were used to purchase a property. Interest on the outstanding loan balance accrues at 5%. Management decided to begin making payments on the note over a 15 year period beginning in July of 2005. On June 1, 2017, the outstanding balance on this loan was paid off in full.

Note 10. Commitments and Contingencies

The United Way has made written commitments to partner agencies establishing the amount of allocations they will receive from July to December 2017. These amounts have been recorded as allocations payable at June 30, 2017.

The United Way received 18% of its annual support for the 2016 campaign through corporate and employee pledges from five major companies and individuals located in the greater Carlisle area at June 30, 2017. The United Way could experience a substantial reduction of annual support should severe economic conditions arise affecting this concentration.

Note 11. Concentrations of Credit Risk

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. The Organization places its temporary cash investments with high credit quality financial institutions. At times such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2017, the United Way had \$3,423 in uninsured bank balances.

Note 12. Rental Income

The United Way rents office and meeting space at the 145 South Hanover Street location to Hospice. In addition, the United Way rents parking spaces in the lot behind the building.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 13. An Evening for the Children Gala

During the years ended June 30, 2017 and 2016, local businesses and community volunteers organized a Gala to raise money for summer scholarships to be distributed for the benefit of at-risk children in the greater Carlisle area. The net contributions supported the Carlisle Family YMCA, YWCA of Carlisle and the Summer Program for Youth (SPY). The following is the related contribution revenue and associated expense.

	2017	2016
Contributions	\$ 45,481	\$ 48,102
Expenses (direct donor benefit)		
Facility, food and beverage	18,692	16,497
Entertainment	500	350
	<u>19,192</u>	<u>16,847</u>
An Evening for the Children Gala - net	<u>\$ 26,289</u>	<u>\$ 31,255</u>

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 14. Special Events - Net

The United Way of Carlisle and Cumberland County provide two special events, the Glee Competition and the U-Turn event.

The United Way of Carlisle and Cumberland County hosts its annual Glee Competition in April at the Carlisle Theater.

The U-Turn event is a collaboration with Dickinson College for an annual community yard sale in June. The United Way of Carlisle and Cumberland County sold Dickinson College student and faculty donated items.

Proceeds from these events were used to underwrite fundraising and administrative costs so that 100% of campaign donations could be used to support programs.

The following is the related revenue and associated expenses:

	2017	2016
Glee competition ticket sales	\$ 23,007	\$ 20,748
U-Turn sales	11,785	13,473
Gross income	<u>34,792</u>	<u>34,221</u>
Glee competition expenses	4,150	6,183
U-Turn expenses	758	1,116
Total expenses	<u>4,908</u>	<u>7,299</u>
Special events - net	<u>\$ 29,884</u>	<u>\$ 26,922</u>

Note 15. Dues to United Way Worldwide and United Way of Pennsylvania

For the right to use the logo and related United Way services, the United Way of Carlisle & Cumberland County paid dues of one cent on each campaign dollar raised to the United Way Worldwide (UWW). UWW provides access to training, national radio and television spots and the NFL partnership and promotion.

United Way of Pennsylvania dues are paid voluntarily for representing our interest to the legislature in Harrisburg. They have taken a lead in several state-wide initiatives of great importance to us locally, such as the “2-1-1” line for information/referral.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

NOTES TO FINANCIAL STATEMENTS

Note 16. Compensated Absences

The United Way allows full-time employees to accumulate sick leave up to a maximum of 90 days. Accumulated sick leave is not payable on termination. The United Way allows all full-time employees and part-time employees who work 20 hours a week or more to accumulate vacation time to a maximum of 20 days. More than 20 days of accrued vacation requires explicit approval. Accumulated vacation time is paid upon termination.

Note 17. Designations

Because of its community and needs-based distribution process, the United Way of Carlisle & Cumberland County advocates for contributions to be left undesignated when possible. Knowledgeable volunteers receive training and spend hundreds of hours scrutinizing agency programs and budgets to disseminate funds under their responsibility. Essentially, the United Way serves to act as a “mutual fund,” thus enhancing the donor’s dollar and multiplying its impact. However, if a donor has a special area of need or an agency they wish to support, the United Way provides this customer service through its donor choice program. Designations are made to other United Ways, partner and non-partner nonprofit agencies, or fields of services with minimal or no processing fees. In these instances, the United Way of Carlisle & Cumberland County acts as a “checkbook” in responsibly processing the donor’s gift.

Note 18. Reclassification

Certain amounts in the 2016 consolidated financial statements have been reclassified to be consistent with the classifications in the 2017 consolidated financial statements.

SUPPLEMENTARY INFORMATION

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2017 (with comparative totals for 2016)**

ASSETS	United Way	Endowment	Eliminations	Consolidated 2017	2016
Current Assets					
Cash and cash equivalents	\$ 907,730	\$ -	\$ -	\$ 907,730	\$ 1,127,335
Pledges receivable, net of allowance for uncollectible pledges of \$32,371 and \$35,968 at June 30, 2017 and 2016, respectively	261,108	-	-	261,108	267,488
Other receivables	3,867	-	-	3,867	942
Prepaid expenses	9,497	-	-	9,497	3,771
Total current assets	1,182,202	-	-	1,182,202	1,399,536
Property and Equipment					
Land	55,239	-	-	55,239	55,239
Building and improvements	500,585	-	-	500,585	500,985
Equipment and furniture	52,736	-	-	52,736	59,119
Less accumulated depreciation	(307,361)	-	-	(307,361)	(300,143)
	301,199	-	-	301,199	315,200
Other Assets					
Beneficial interest in split-interest agreements, Endowment Funds and Board Designated Investments	1,188,820	2,438,963	-	3,627,783	3,179,423
Total assets	\$ 2,672,221	\$ 2,438,963	\$ -	\$ 5,111,184	\$ 4,894,159

LIABILITIES AND NET ASSETS	United Way	Endowment	Eliminations	Consolidated 2017	2016
Current Liabilities					
Allocations payable	\$ 322,250	\$ -	\$ -	\$ 322,250	\$ 334,601
Donor choice allocations payable	165,050	-	-	165,050	150,032
Accounts payable	28,902	-	-	28,902	36,981
Deferred revenue	1,660	-	-	1,660	3,250
Compensated absences	10,510	-	-	10,510	11,248
Payroll taxes and withholdings	7,245	-	-	7,245	4,107
Total current liabilities	535,617	-	-	535,617	540,219
Net Assets					
Unrestricted					
Unappropriated	727,686	200,000	-	927,686	926,314
Board appropriated	35,549	-	-	35,549	28,692
Total Unrestricted	763,235	200,000	-	963,235	955,006
Temporarily restricted	184,549			184,549	199,096
Permanently restricted	1,188,820	2,238,963	-	3,427,783	3,199,838
Total net assets	1,373,369	2,238,963	-	4,575,567	4,353,940
Total liabilities and net assets	\$ 2,672,221	\$ 2,438,963	\$ -	\$ 5,111,184	\$ 4,894,159

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

**CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2017 (with comparative totals for 2016)**

	United Way			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Public Support and Revenue				
Gross Campaign Results (2016/2017)	\$ 1,311,065	\$ -	\$ -	\$ 1,311,065
Gross Campaign Results in prior year - released from restriction	46,612	(46,612)	-	-
(less donor designations)	(538,644)	-	-	(538,644)
Net Campaign Revenue (2016/2017)	819,033	(46,612)	-	772,421
Gross Campaign Results (2017/2018)	-	49,677	-	49,677
Special Events - net	29,884	-	-	29,884
An Evening for the Children Gala	45,481	-	-	45,481
Less: costs of direct benefit to donors	(19,192)	-	-	(19,192)
An Evening for the Children Gala-net	26,289	-	-	26,289
Other Contributions				
Endowment	-	-	-	-
Bequests	-	-	-	-
Corporate sponsorships	19,780	-	-	19,780
Loss on liquidation of contributed investments	(973)	-	-	(973)
Collections over prior years' estimated receivables	8,529	-	-	8,529
In-kind contributions	27,826	-	-	27,826
Total other contributions	55,162	-	-	55,162
Designations from other United Ways	24,152	-	-	24,152
Service fee income	5,232	-	-	5,232
Grants	-	131,666	-	131,666
Investment Income				
Trust and Endowment Fund income	57,446	-	-	57,446
Interest income	3,506	-	-	3,506
Unrealized loss on investments	-	-	80,217	80,217
Total investment income	60,952	-	80,217	141,169
Rental income	11,830	-	-	11,830
Loss on disposal of fixed assets	(966)	-	-	(966)
Miscellaneous income	1,697	-	-	1,697
Other net assets released from restrictions	250,924	(149,278)	-	101,646
Total revenue, gains and other support	1,284,189	(14,547)	80,217	1,349,859

(Continued)

Endowment			Eliminations	Consolidated 2017	Total 2016
Permanently Restricted	Total				
\$ -	\$ -	\$ -	\$ -	\$ 1,311,065	\$ 1,278,468
-	-	-	-	-	-
-	-	-	-	(538,644)	(523,795)
-	-	-	-	772,421	754,673
-	-	-	-	49,677	46,612
-	-	-	-	29,884	26,922
-	-	-	-	45,481	48,102
-	-	-	-	(19,192)	(16,847)
-	-	-	-	26,289	31,255
12,507	12,507	-	-	12,507	11,170
-	-	-	-	-	200,000
-	-	-	-	19,780	26,000
-	-	-	-	(973)	(1,299)
-	-	-	-	8,529	11,524
-	-	-	-	27,826	51,949
12,507	12,507	-	-	67,669	299,344
-	-	-	-	24,152	29,198
-	-	-	-	5,232	3,209
-	-	-	-	131,666	134,636
193,581	193,581	-	-	251,027	101,490
-	-	-	-	3,506	3,385
43,286	43,286	-	-	123,503	(143,177)
236,867	236,867	-	-	378,036	(38,302)
-	-	-	-	11,830	12,390
-	-	-	-	(966)	(5,481)
-	-	-	-	1,697	926
(101,646)	(101,646)	-	-	-	-
147,728	147,728	-	-	1,497,587	1,295,382

UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
 ENDOWMENT FUND OF CARLISLE PENNSYLVANIA

CONSOLIDATING STATEMENT OF ACTIVITIES (Continued)
 Year Ended June 30, 2017 (with comparative totals for 2016)

	United Way			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Allocations and Expenses				
Program Services				
Gross funds allocated/distributed:				
2016 campaign	1,228,252	-	-	1,228,252
Omit an agency	884	-	-	884
Total gross funds allocated/distributed	1,229,136	-	-	1,229,136
(less donor designations)	(538,644)	-	-	(538,644)
Net Funds allocated/distributed	690,492	-	-	690,492
Community Impact/Member Agency Relations	136,903	-	-	136,903
Success by Six	147,903	-	-	147,903
Total Program Services	975,298	-	-	975,298
Supporting Services				
Management and general	197,239	-	-	197,239
Fundraising	103,423	-	-	103,423
Total supporting services	300,662	-	-	300,662
Total allocations and expenses	1,275,960	-	-	1,275,960
Changes in net assets	8,229	(14,547)	80,217	73,899
Net Assets:				
Beginning	955,006	199,096	1,108,603	2,262,705
Ending	\$ 963,235	\$ 184,549	\$ 1,188,820	\$ 2,336,604

Endowment			Eliminations	Total 2017	Total 2016
Permanently Restricted	Total				
-	-	-	-	1,228,252	1,228,369
-	-	-	-	884	2,452
-	-	-	-	1,229,136	1,230,821
-	-	-	-	(538,644)	(523,795)
-	-	-	-	690,492	707,026
-	-	-	-	136,903	149,803
-	-	-	-	147,903	102,438
-	-	-	-	975,298	959,267
-	-	-	-	197,239	186,806
-	-	-	-	103,423	125,802
-	-	-	-	300,662	312,608
-	-	-	-	1,275,960	1,271,875
147,728	147,728	-	-	221,627	23,507
2,091,235	2,091,235	-	-	4,353,940	4,330,433
\$ 2,238,963	\$ 2,238,963	\$ -	\$ -	\$ 4,575,567	\$ 4,353,940

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

CONSOLIDATING STATEMENT OF CASH FLOWS
Year Ended June 30, 2017 (with comparative totals for 2016)

	United Way	Endowment	Total 2017	2016
Cash Flows From Operating Activities				
Changes in net assets	\$ 73,900	\$ 147,727	\$ 221,627	\$ 23,507
Adjustments to reconcile changes in net assets to net cash provided by operating activities				
Depreciation	12,621	-	12,621	18,980
Loss on sale of fixed assets	966	-	966	5,481
Net realized and unrealized (gain) loss on investments	-	-	-	60,202
Permanently restricted contributions received	-	(12,507)	(12,507)	(11,170)
Decrease (increase) in value of and split-interest agreements	(80,218)	-	(80,218)	98,618
Changes in assets and liabilities:				
(Increase) decrease in:				
Pledges receivable	6,380	-	6,380	22,306
Other receivable	(2,925)	-	(2,925)	3,350
Prepaid expenses	(5,726)	-	(5,726)	3,278
(Decrease) increase in:				
Allocations payable	2,667	-	2,667	49,442
Accounts payable	(8,079)	-	(8,079)	17,113
Deferred revenue	(1,590)	-	(1,590)	1,550
Accrued expenses	2,400	-	2,400	(1,443)
Net cash provided by operating activities	396	135,220	135,616	291,214
Cash Flows From Investing Activities				
Purchase of investments	-	(212,507)	(212,507)	(11,170)
Proceeds from sale of investments	-	(155,635)	(155,635)	38,950
Purchases of property and equipment	414	-	414	(20,078)
Net cash (used in) provided by investing activities	414	(368,142)	(367,728)	7,702
Cash Flows From Financing Activities				
Repayment of note payable	(20,415)	-	(20,415)	(10,890)
Principal receipts on note receivable	-	20,415	20,415	10,890
Permanently restricted contributions received	-	12,507	12,507	11,170
Net cash (used in) provided by financing activities	(20,415)	32,922	12,507	11,170
Net (decrease) increase in cash and cash equivalents	(19,605)	(200,000)	(219,605)	310,086
Cash and Cash Equivalents:				
Beginning	1,127,335	-	1,127,335	817,249
Ending	\$ 1,107,730	\$ (200,000)	\$ 907,730	\$ 1,127,335
Supplemental Disclosures of Cash Flow Information				
Cash paid during the year for interest	\$ 761	\$ -	\$ 761	\$ 1,848

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

ANNUAL REPORT PRESENTATION

Year Ended June 30, 2017

Revenue - Campaign	
2016 Campaign Pledges (including donor choice)	\$ 1,438,722
Less provision for doubtful accounts	(32,371)
Less designations to United Way programs	<u>(24,522)</u>
Net Campaign Income	1,381,829
Revenue - Other	
Special Events - Net	29,884
An Evening for the Children Net of direct benefit of donors	26,289
Corporate sponsorships	19,780
Collections from prior years' estimated receivables	8,529
Loss on liquidation of contributed investments	(973)
In-kind contributions	27,826
Service fee income	5,232
Investment income	162,598
Rental income	11,830
Success by Six	131,069
Grants and sponsorships released from restriction	18,209
Other revenue	731
Total Other Revenue	<u>441,004</u>
Total Revenue	<u><u>\$ 1,822,833</u></u>
Allocations, Expenses and Change in Unrestricted Net Assets	
Allocations:	
Agency Allocations	\$ 648,135
Donor Choice	538,644
Summer Youth Camp Scholarships (An Evening for the Children Proceeds)	30,000
Brennaman Trust	4,046
Heating Assistance	5,613
Student Leadership Council Distributions	1,000
Women's Leadership Council Distributions	1,832
Money in Your Pocket	1,500
Taking it to the Streets	933
Total Allocations	<u>1,231,703</u>
Program Services:	
Community Impact/Member Agency Relations	134,336
Pre-Kindergarten Scholarships	112,733
Success by Six	35,170
Total Program Services	<u>282,239</u>
Supporting Services:	
Management and General	197,239
Fundraising	103,423
Total Supporting Services	<u>300,662</u>
Increase in restricted Net Assets (Fund Balance)	<u>8,229</u>
Total Allocations, Expenses & Change in Unrestricted Net Assets	<u><u>\$ 1,822,833</u></u>

Note:

Restricted revenue and unrealized gain on investments are not included above.

**UNITED WAY OF CARLISLE & CUMBERLAND COUNTY AND UNITED WAY
ENDOWMENT FUND OF CARLISLE PENNSYLVANIA**

Revenue Reconciliation - Audit to Internal Reporting

2016 Campaign Revenue (Net)	\$ 1,311,065
Release from restriction	46,612
Designations from other United Ways	<u>24,152</u>
Net Campaign Income	1,381,829
Provision for doubtful accounts	32,371
Designations to United Way Programs	<u>24,522</u>
2016 Campaign Pledges	<u><u>\$ 1,438,722</u></u>