



United Way of Greater Richmond & Petersburg

Financial Statements

June 30, 2017 and 2016



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UNITED WAY OF GREATER RICHMOND & PETERSBURG

Table of Contents

| | <u>Page</u> |
|-----------------------------------|-------------|
| Report of Independent Accountants | 1 |
| Financial Statements: | |
| Statements of Financial Position | 3 |
| Statements of Activities | 5 |
| Statements of Cash Flows | 9 |
| Statements of Functional Expenses | 10 |
| Notes to Financial Statements | 12 |
| Supplemental Information: | |
| Schedule of Net Assets | 25 |
| Summary of Community Initiatives | 27 |

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
United Way of Greater Richmond & Petersburg
Richmond, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the United Way of Greater Richmond & Petersburg (the "Organization"), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, cash flows and functional expenses 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; 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. 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 United Way of Greater Richmond & Petersburg, as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information provided on pages 25 through 28 is presented for the purpose of additional analysis and is not a required part of the 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 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. 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 black ink, appearing to read "Keith", with a long horizontal flourish extending to the right.

November 13, 2017
Glen Allen, Virginia

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Financial Position
June 30, 2017 and 2016

| <u>Assets</u> | <u>2017</u> | <u>2016</u> |
|--|----------------------|----------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 4,641,548 | \$ 4,673,118 |
| Certificates of deposit | 503,801 | 1,000,000 |
| Pledges receivable: | | |
| Campaign 15/16 - net of allowance of \$495,421 | - | 3,397,479 |
| Campaign 16/17 - net of allowance of \$327,189 | 2,439,140 | - |
| Other receivables | 111,184 | 296,011 |
| Other assets | <u>40,881</u> | <u>36,462</u> |
| Total current assets | 7,736,554 | 9,403,070 |
| Investments (Note 2) | 6,122,765 | 5,489,194 |
| Leasehold improvements and equipment at cost less accumulated depreciation (Note 3) | <u>121,875</u> | <u>101,588</u> |
| Total assets | <u>\$ 13,981,194</u> | <u>\$ 14,993,852</u> |

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Financial Position, Continued
June 30, 2017 and 2016

| <u>Liabilities and Net Assets</u> | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|
| Current liabilities: | | |
| Allocations payable | \$ 1,965,000 | \$ 2,000,000 |
| Designations payable | 622,571 | 934,341 |
| Accrued expenses | 85,460 | 189,695 |
| Deferred rent | 15,227 | - |
| Accounts payable | 70,794 | 66,716 |
| Funds held for Energy Share (Note 4) | 3,661,046 | 2,895,420 |
| Funds held for others (Note 4) | <u>11,241</u> | <u>665,302</u> |
| Total current liabilities | <u>6,431,339</u> | <u>6,751,474</u> |
| Net Assets: | | |
| Unrestricted (Note 5): | | |
| Board designated: | | |
| Reserves | 4,275,291 | 5,344,336 |
| Pension plan obligation | 531,044 | 595,544 |
| United Way operations | 1,726,829 | 1,730,557 |
| Building and equipment | <u>121,875</u> | <u>101,589</u> |
| Total board designated | <u>6,655,039</u> | <u>7,772,026</u> |
| Total unrestricted | <u>6,655,039</u> | <u>7,772,026</u> |
| Temporarily restricted (Note 6): | | |
| Annual campaign designated for future periods | 217,882 | 127,414 |
| Other temporarily restricted | <u>676,934</u> | <u>342,938</u> |
| Total temporarily restricted | <u>894,816</u> | <u>470,352</u> |
| Total net assets | <u>7,549,855</u> | <u>8,242,378</u> |
| Total liabilities and net assets | <u>\$ 13,981,194</u> | <u>\$ 14,993,852</u> |

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Activities
Year Ended June 30, 2017, with Comparative Totals for 2016

| | Unrestricted | Temporarily Restricted | 2017 Total | 2016 Total |
|---|--------------|---------------------------|--------------|---------------|
| Revenues, gains and other support: | | | | |
| Gross campaign pledges 2016 / 2017 | \$ - | \$ 8,189,820 | \$ 8,189,820 | \$ 11,212,081 |
| Less donor designations | - | (2,598,399) | (2,598,399) | (4,364,492) |
| Less provision for uncollectible pledges | - | (344,138) | (344,138) | (512,000) |
| Subtotal campaign revenue 2016 / 2017 | - | 5,247,283 | 5,247,283 | 6,335,589 |
| Gross campaign pledges prior year's: | | | | |
| Contributions received | 177,869 | - | 177,869 | 409,088 |
| Subtotal prior year's campaign revenue | 177,869 | - | 177,869 | 409,088 |
| Contributions received released from restrictions | | | | |
| Donor designations | 7,696,968 | (7,696,968) | - | - |
| Net current period campaign | (2,598,399) | 2,598,399 | - | - |
| | 5,098,569 | (5,098,569) | - | - |
| Gross campaign pledges future year | - | 217,882 | 217,882 | 127,414 |
| Total campaign revenue | 5,276,438 | 366,596 | 5,643,034 | 6,872,091 |
| Contributions | - | 505,058 | 505,058 | 305,214 |
| Memorials and bequests | 139,417 | - | 139,417 | 255,338 |
| Net public support | 5,415,855 | 871,654 | 6,287,509 | 7,432,643 |
| Grants from governmental agencies | - | 179,854 | 179,854 | 710,878 |
| Other revenue: | | | | |
| Third party processing fees | 129,512 | - | 129,512 | 184,730 |
| Sponsorships | 21,060 | - | 21,060 | - |
| Investment income, net | 108,539 | - | 108,539 | 104,190 |
| Unrealized gains | 486,063 | - | 486,063 | 108,818 |
| Endowment income | 214,142 | - | 214,142 | 206,198 |
| Designations from other United Ways | 52,881 | - | 52,881 | 36,502 |
| Fees from donor designations | 160,480 | - | 160,480 | 374,645 |
| Net other revenue | 1,172,677 | - | 1,172,677 | 1,015,083 |
| Net assets released from restrictions (Note 8) | 627,044 | (627,044) | - | - |
| Net public support and other revenue | 7,215,576 | 424,464 | 7,640,040 | 9,158,604 |

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Activities, Continued
Year Ended June 30, 2017, with Comparative Totals for 2016

| | Unrestricted | Temporarily Restricted | 2017 Total | 2016 Total |
|------------------------------------|---------------------|---------------------------|---------------------|---------------------|
| Allocations and expenses: | | | | |
| Program services: | | | | |
| Gross allocations | \$ 6,603,398 | \$ - | \$ 6,603,398 | \$ 8,414,492 |
| Less donor designations | <u>(2,598,399)</u> | <u>-</u> | <u>(2,598,399)</u> | <u>(4,364,492)</u> |
| Net allocations | 4,004,999 | - | 4,004,999 | 4,050,000 |
| Community planning and allocations | 979,804 | - | 979,804 | 989,863 |
| Community initiatives | <u>808,037</u> | <u>-</u> | <u>808,037</u> | <u>1,435,071</u> |
| Total program services | <u>5,792,840</u> | <u>-</u> | <u>5,792,840</u> | <u>6,474,934</u> |
| Supporting services: | | | | |
| Fundraising | 1,425,381 | - | 1,425,381 | 1,354,770 |
| Management and general | <u>1,114,342</u> | <u>-</u> | <u>1,114,342</u> | <u>1,213,006</u> |
| Total supporting services | <u>2,539,723</u> | <u>-</u> | <u>2,539,723</u> | <u>2,567,776</u> |
| Total expenses | <u>8,332,563</u> | <u>-</u> | <u>8,332,563</u> | <u>9,042,710</u> |
| Change in net assets | (1,116,987) | 424,464 | (692,523) | 115,894 |
| Net assets, beginning of year | <u>7,772,026</u> | <u>470,352</u> | <u>8,242,378</u> | <u>8,126,484</u> |
| Net assets, end of year | <u>\$ 6,655,039</u> | <u>\$ 894,816</u> | <u>\$ 7,549,855</u> | <u>\$ 8,242,378</u> |

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statement of Activities
Year Ended June 30, 2016

| | Unrestricted | Temporarily Restricted | Total |
|--|--------------------|---------------------------|------------------|
| Revenues, gains and other support: | | | |
| Gross campaign pledges 2015/2016 | \$ - | \$ 11,212,081 | \$ 11,212,081 |
| Less donor designations | - | (4,364,492) | (4,364,492) |
| Less provision for uncollectible pledges | - | (512,000) | (512,000) |
| Subtotal campaign revenue 2015/2016 | <u>-</u> | <u>6,335,589</u> | <u>6,335,589</u> |
| Gross campaign pledges prior year's: | | | |
| Contributions received | <u>-</u> | <u>409,088</u> | <u>409,088</u> |
| Contributions received released from restrictions | 11,037,339 | (11,037,339) | - |
| Donor designations | <u>(4,364,492)</u> | <u>4,364,492</u> | <u>-</u> |
| Net current period campaign | <u>6,672,847</u> | <u>(6,672,847)</u> | <u>-</u> |
| Gross campaign pledges future year | - | 127,414 | 127,414 |
| Total campaign revenue | <u>6,672,847</u> | <u>199,244</u> | <u>6,872,091</u> |
| Contributions | - | 305,214 | 305,214 |
| Memorials and bequests | 255,338 | - | 255,338 |
| Net public support | <u>6,928,185</u> | <u>504,458</u> | <u>7,432,643</u> |
| Grants from governmental agencies | <u>-</u> | <u>710,878</u> | <u>710,878</u> |
| Other revenue: | | | |
| Third party processing fees | 184,730 | - | 184,730 |
| Investment income, net | 104,190 | - | 104,190 |
| Unrealized gains | 108,818 | - | 108,818 |
| Endowment income | 206,198 | - | 206,198 |
| Designations from other United Ways | 36,502 | - | 36,502 |
| Fees from donor designations | 374,645 | - | 374,645 |
| Net other revenue | <u>1,015,083</u> | <u>-</u> | <u>1,015,083</u> |
| Grants released from restrictions (Note 8) | <u>1,164,354</u> | <u>(1,164,354)</u> | <u>-</u> |
| Net public support and other revenue | <u>9,107,622</u> | <u>50,982</u> | <u>9,158,604</u> |

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statement of Activities, Continued
Year Ended June 30, 2016

| | <u>Unrestricted</u> | Temporarily <u>Restricted</u> | <u>Total</u> |
|------------------------------------|---------------------|----------------------------------|---------------------|
| Allocations and expenses: | | | |
| Program services: | | | |
| Gross allocations | \$ 8,414,492 | \$ - | \$ 8,414,492 |
| Less donor designations | <u>(4,364,492)</u> | <u>-</u> | <u>(4,364,492)</u> |
| Net allocations | 4,050,000 | - | 4,050,000 |
| Community planning and allocations | 989,863 | - | 989,863 |
| Community initiatives | <u>1,435,071</u> | <u>-</u> | <u>1,435,071</u> |
| Total program services | <u>6,474,934</u> | <u>-</u> | <u>6,474,934</u> |
| Supporting services: | | | |
| Fundraising | 1,354,770 | - | 1,354,770 |
| Management and general | <u>1,213,006</u> | <u>-</u> | <u>1,213,006</u> |
| Total supporting services | <u>2,567,776</u> | <u>-</u> | <u>2,567,776</u> |
| Total expenses | <u>9,042,710</u> | <u>-</u> | <u>9,042,710</u> |
| Change in net assets | 64,912 | 50,982 | 115,894 |
| Net assets, beginning of year | <u>7,707,114</u> | <u>419,370</u> | <u>8,126,484</u> |
| Net assets, end of year | <u>\$ 7,772,026</u> | <u>\$ 470,352</u> | <u>\$ 8,242,378</u> |

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Cash Flows
Years Ended June 30, 2017 and 2016

| | 2017 | 2016 |
|---|--------------|--------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (692,523) | \$ 115,894 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Unrealized and realized net investment gain | (594,602) | (213,009) |
| Depreciation | 39,894 | 46,983 |
| Changes in operating assets and liabilities: | | |
| Pledges receivable | 958,339 | 84,312 |
| Other receivables | 184,827 | (25,507) |
| Other assets | (4,419) | (841) |
| Allocations payable | (35,000) | (50,000) |
| Designations payable | (311,770) | (343,230) |
| Accrued expenses | (104,235) | (68,115) |
| Deferred rent | 15,227 | - |
| Accounts payable | 4,078 | (110,338) |
| Funds held for Energy Share | 765,626 | 2,068,492 |
| Funds held for others | (654,061) | (31,520) |
| | (428,619) | 1,473,121 |
| Net cash (used) provided by operating activities | | |
| Cash flows from investing activities: | | |
| Purchase of investments | (42,770) | (40,552) |
| Sale of certificate of deposit | 500,000 | - |
| Purchase of equipment | (60,181) | (42,960) |
| | 397,049 | (83,512) |
| Net cash provided (used) by investing activities | | |
| Net change in cash and cash equivalents | (31,570) | 1,389,609 |
| Cash and cash equivalents, beginning of year | 4,673,118 | 3,283,509 |
| Cash and cash equivalents, ending of year | \$ 4,641,548 | \$ 4,673,118 |

See accompanying notes to financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statements of Functional Expenses
Year Ended June 30, 2017, with Comparative Totals for 2016

| | Program Services | | | | Support Services | | | |
|--|------------------------------------|--|--------------|--------------|------------------------|--------------|--------------|--------------|
| | Community Planning and Allocations | Community Initiatives (see Schedule 1) | Total | Fundraising | Management and General | Total | 2017 Total | 2016 Total |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Gross allocations | 6,603,398 | - | 6,603,398 | - | - | - | 6,603,398 | 8,414,492 |
| Less donor designations | (2,598,399) | - | (2,598,399) | - | - | - | (2,598,399) | (4,364,492) |
| Subtotal | 4,004,999 | - | 4,004,999 | - | - | - | 4,004,999 | 4,050,000 |
| Salaries | 563,287 | 243,953 | 807,240 | 646,336 | 592,842 | 1,239,178 | 2,046,418 | 2,212,654 |
| Health and retirement benefits | 156,733 | 26,898 | 183,631 | 140,936 | 117,182 | 258,118 | 441,749 | 491,290 |
| Payroll taxes | 42,597 | 17,782 | 60,379 | 49,317 | 51,992 | 101,309 | 161,688 | 189,460 |
| Moving and recruitment | - | 73 | 73 | - | 1,212 | 1,212 | 1,285 | 33,291 |
| Specific program expenses | - | 312,620 | 312,620 | - | - | - | 312,620 | 876,220 |
| Pension plan contributions | - | 64,500 | 64,500 | - | - | - | 64,500 | 60,476 |
| Professional fees | 1,162 | 43,706 | 44,868 | 260,371 | 107,266 | 367,637 | 412,505 | 207,091 |
| Supplies | 3,809 | 16,051 | 19,860 | 7,003 | 6,744 | 13,747 | 33,607 | 17,419 |
| Telephone | 8,547 | 1,697 | 10,244 | 10,556 | 7,369 | 17,925 | 28,169 | 33,006 |
| Postage and shipping | 4,511 | 365 | 4,876 | 11,923 | 5,534 | 17,457 | 22,333 | 27,450 |
| Occupancy | 112,988 | 12,226 | 125,214 | 121,920 | 127,475 | 249,395 | 374,609 | 351,440 |
| Equipment maintenance | 21,181 | 1,013 | 22,194 | 20,433 | 20,436 | 40,869 | 63,063 | 119,919 |
| Printing and publications | 13,470 | 2,951 | 16,421 | 78,104 | 250 | 78,354 | 94,775 | 86,010 |
| Travel and related expenses | 13,091 | 33,901 | 46,992 | 18,575 | 10,048 | 28,623 | 75,615 | 63,830 |
| Conferences, conventions, and meetings | 2,795 | 8,057 | 10,852 | 4,019 | 8,696 | 12,715 | 23,567 | 34,580 |
| Depreciation expense | 13,298 | - | 13,298 | 13,298 | 13,298 | 26,596 | 39,894 | 46,983 |
| Miscellaneous | 1,745 | 1,654 | 3,399 | 1,410 | 2,818 | 4,228 | 7,627 | 10,959 |
| Subtotal | 959,214 | 787,447 | 1,746,661 | 1,384,201 | 1,073,162 | 2,457,363 | 4,204,024 | 4,862,078 |
| Total before UWA dues | 4,964,213 | 787,447 | 5,751,660 | 1,384,201 | 1,073,162 | 2,457,363 | 8,209,023 | 8,912,078 |
| United Way Worldwide dues | 20,590 | 20,590 | 41,180 | 41,180 | 41,180 | 82,360 | 123,540 | 130,632 |
| Total functional expenses | \$ 4,984,803 | \$ 808,037 | \$ 5,792,840 | \$ 1,425,381 | \$ 1,114,342 | \$ 2,539,723 | \$ 8,332,563 | \$ 9,042,710 |

Note: Specific program expenses mainly include external program related costs including contracting for VSQI, payments to energy vendors and other specific program activities.

See accompanying notes to financial statements

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Statement of Functional Expenses
Year Ended June 30, 2016

| | Program Services | | | Support Services | | |
|--|------------------------------------|--|---------------------|---------------------|------------------------|---------------------|
| | Community Planning and Allocations | Community Initiatives (see Schedule 1) | Total | Fundraising | Management and General | Total |
| Gross allocations | \$ 8,414,492 | \$ - | \$ 8,414,492 | \$ - | \$ - | \$ - |
| Less donor designations | (4,364,492) | - | (4,364,492) | - | - | (4,364,492) |
| Subtotal | 4,050,000 | - | 4,050,000 | - | - | 4,050,000 |
| Salaries | 558,179 | 248,267 | 806,446 | 790,281 | 615,927 | 1,406,208 |
| Health and retirement benefits | 145,417 | 38,311 | 183,728 | 161,417 | 146,145 | 307,562 |
| Payroll taxes | 45,067 | 17,693 | 62,760 | 64,012 | 62,688 | 126,700 |
| Moving and recruitment | - | - | - | - | 33,291 | 33,291 |
| Specific program expenses | - | 876,220 | 876,220 | - | - | 876,220 |
| Pension plan contributions | - | 60,476 | 60,476 | - | - | 60,476 |
| Professional fees | 24,116 | 70,317 | 94,433 | 16,628 | 96,030 | 112,658 |
| Supplies | 1,349 | 6,209 | 7,558 | 3,090 | 6,771 | 9,861 |
| Telephone | 9,167 | 1,796 | 10,963 | 14,550 | 7,493 | 22,043 |
| Postage and shipping | 4,323 | 1,014 | 5,337 | 10,993 | 11,120 | 22,113 |
| Occupancy | 106,972 | 19,239 | 126,211 | 117,314 | 107,915 | 225,229 |
| Equipment maintenance | 35,761 | 7,454 | 43,215 | 40,357 | 36,347 | 76,704 |
| Printing and publications | 14,392 | 12,436 | 26,828 | 57,832 | 1,350 | 59,182 |
| Travel and related expenses | 17,659 | 21,765 | 39,424 | 16,112 | 8,294 | 24,406 |
| Conferences, conventions, and meetings | 3,389 | 10,625 | 14,014 | 1,805 | 18,761 | 20,566 |
| Depreciation expense | - | 15,661 | 15,661 | 15,661 | 15,661 | 31,322 |
| Miscellaneous | 2,300 | 5,816 | 8,116 | 1,174 | 1,669 | 2,843 |
| Subtotal | 968,091 | 1,413,299 | 2,381,390 | 1,311,226 | 1,169,462 | 2,480,688 |
| Total before UW Worldwide dues | 5,018,091 | 1,413,299 | 6,431,390 | 1,311,226 | 1,169,462 | 2,480,688 |
| United Way Worldwide dues | 21,772 | 21,772 | 43,544 | 43,544 | 43,544 | 87,088 |
| Total functional expenses | \$ 5,039,863 | \$ 1,435,071 | \$ 6,474,934 | \$ 1,354,770 | \$ 1,213,006 | \$ 2,567,776 |
| | | | | | | \$ 9,042,710 |

Note: Specific program expenses mainly include external program related costs including contracting for VSQI, payments to energy vendors and other specific program activities.

See accompanying notes to financial statements

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements

1. Nature of Activities and Significant Accounting Policies:

Nature of Organization: United Way of Greater Richmond & Petersburg (the "Organization") helps build capacity in critical programs and services to prepare children, help families and individuals achieve financial stability, and support the health and wellness of older adults. Working together with organizations and individuals throughout greater Richmond and Petersburg, the Organization is changing and improving lives not only in the moment of need, but for the long-term. The majority of the revenues come from the annual campaign. The campaign raises both restricted and unrestricted funds. The unrestricted funds are allocated by local volunteers, who serve on the allocation panels of the Organization's Planning and Allocations Division, and the allocations are approved by the Board of Directors.

Support: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restriction. For temporarily donor-imposed restrictions, when the 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. If the Board specifies a purpose where none has been stated by the original donor, such assets are classified as Board designated within unrestricted net assets. Permanently restricted net assets are subject to donor-imposed stipulations that require the principal be invested and the income be used as stipulated by the donor or for general operations of the Organization.

Contributions of long-lived assets and cash to acquire long-lived assets that are received without stipulations about how long the long-lived assets must be used are reported as unrestricted when the assets are placed in service and no time restrictions are implied.

Pledges and Allocations: Pledges to the Organization, net of estimated uncollectible amounts, are recognized as revenue or gains in the period received and as assets, decrease of liabilities, or expenses depending on the form of benefits received. Allocations to agencies approved prior to the allocation year are deducted from annual campaign support designated for future periods and are reported as liabilities until paid. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Pledges are recorded in the statements of financial position when received, and allowances are provided for amounts estimated to be uncollectible. All uncollected pledges are charged off at the end of the second year following the year in which they were pledged. The amounts estimated to be uncollectible are determined by historical trends and current economic and environmental factors and approved by the Board of Directors. Pledges that are raised by the Organization but paid directly to the designated agency by the company or a third party, totaled \$1,442,189 and \$1,676,221 for the years ended June 30, 2017 and 2016, respectively.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

1. Nature of Activities and Significant Accounting Policies, Continued:

Pledges and Designations for Public Service Campaigns: Gross campaign pledges include the following locally managed public sector campaigns: Combined Federal Campaign ("CFC"), and Local Government and Schools ("LGS"). The Organization, as a federation, is distributing funds received from the CFC and LGS for its member agencies, in accordance with donor designations.

Cash and Cash Equivalents: For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and equivalents.

Certificates of Deposit: The Organization invests its excess cash in certificates of deposit which are stated at cost plus accrued interest. At June 30, 2017, the Organization held a certificate of deposit, which will mature July 2018 and renew automatically.

Investments: Investments are comprised of a mutual fund and money market fund and are reported in the statements of financial position at their fair values based on quoted market prices (see Note 2). Investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the risks in the near term could materially affect amounts reported on the financial statements.

Use of Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual events and circumstances could alter those estimates.

Leasehold Improvements and Equipment: Leasehold improvements and equipment are recorded at cost for purchased assets and at fair market value at the date of receipt for contributed assets. Depreciation is computed by the straight-line method over the estimated useful lives of the assets ranging from 5 to 10 years using the straight-line and MACRS methods. Expenditures for maintenance and repairs are charged to expense, while expenses for major improvements are capitalized. The cost and accumulated depreciation are removed from the accounts for property sold or retired and any resulting gain or loss is included in income.

Donated Services: No amounts have been reflected in the financial statements for donated services because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and fund raising campaigns.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

1. Nature of Activities and Significant Accounting Policies, Continued:

Tax Status: United Way of Greater Richmond & Petersburg is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been determined to be a charitable organization, which qualifies contributions, bequests and legacies as deductions by the donor for income, estate and gift tax purposes.

Income Tax Uncertainties: The Organization has adopted the Financial Accounting Standards Board ("FASB") guidance related to accounting for uncertainty in income taxes, which clarifies the accounting for income taxes by prescribing the minimum recognition threshold that a tax position is required to meet before being recognized in the Organization's financial statements.

In accordance with the guidance, the Organization discloses the expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the facts and the Organization's position and records unrecognized tax benefits or liabilities for known, or anticipated tax issues based on the Organization's analysis of whether additional taxes would be due to the authority given their full knowledge of the tax position. The Organization accrues interest and penalties related to unrecognized tax benefits as other noncurrent liabilities and recognizes the related changes in the Organization's assessments as a component of income tax expense. The Organization has completed its assessment and determined that there were no tax positions, which would require recognition under the guidance. The Organization is not currently under audit by any tax jurisdiction.

Concentration of Credit Risk: Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and unsecured receivables.

Management believes the Organization's cash balances are maintained with quality financial institutions in order to offset the risk of loss that may occur when balances exceed the Federal Deposit Insurance Corporation insured limits on each account of \$250,000. The ability to collect pledges resulting from fund raising efforts is affected by general economic conditions in the Richmond-Petersburg, Virginia metropolitan area.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

2. Fair Value Measurements:

The Organization follows FASB guidance on fair value measurements. The provisions of the guidance provide a framework for measuring fair value under Generally Accepted Accounting Principles ("GAAP") and defines fair value 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 between market participants on the measurement date. This guidance requires that valuation techniques maximize the use of observable inputs and minimizes the use of unobservable inputs. This guidance also established a fair value hierarchy which prioritizes the valuation inputs into three broad levels. Based on the underlying inputs, each fair value measurement in its entirety is reported in one of three levels:

Level 1 – Unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date. The Organization's Level 1 assets include cash and cash equivalents, money market funds and mutual fund shares. Mutual fund shares held had a value of \$4,620,493 as of June 30, 2017 and a value of \$5,489,194 as of June 30, 2016. The mutual fund is a large value fund with 60-70% invested in equity securities and 30-40% invested in fixed income instruments. The money market fund was purchased during 2017 and amounted to \$1,502,272 as of June 30, 2017.

Level 2 – Other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly, including:

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

The Organization's Level 2 assets include certificates of deposit. Certificates of deposit held had a value of \$503,801 as of June 30, 2017 and \$1,000,000 as of June 30, 2016.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions. The Organization does not hold Level 3 assets or liabilities at fair value on the statements of financial position.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

3. **Leasehold Improvements and Equipment:**

Leasehold improvements and equipment consisted of the following:

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------|-------------------|-------------------|
| Leasehold improvements | \$ 175,549 | \$ 175,549 |
| Furniture, equipment and software | <u>1,390,547</u> | <u>1,330,367</u> |
| | 1,566,096 | 1,505,916 |
| Less accumulated depreciation | <u>1,444,221</u> | <u>1,404,328</u> |
| Total | <u>\$ 121,875</u> | <u>\$ 101,588</u> |

Depreciation expense amounted to \$39,894 and \$46,983 for the years ended June 30, 2017 and 2016, respectively.

4. **Funds Held for Energy Share and Others:**

Energy Share:

United Way of Greater Richmond & Petersburg acts as the fiscal agent for the Energy Share campaign sponsored by Dominion Energy. Energy Share is a fuel assistance program that pays for the heating and cooling services of those individuals who cannot financially secure these services on their own. The Organization collects and distributes these contributions. United Way of Greater Richmond & Petersburg is also the distributing agency for the Energy Share program for several counties in central Virginia and North Carolina.

Others:

The Organization is also an independent processor for third-party campaigns. Amounts collected, but not remitted at year end are reflected in funds held for others.

Funds held for Energy Share and others are not reflected as revenues and expenses in the statements of activities.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

4. Funds Held for Energy Share and Others, Continued:

Transactions consisted of the following for the years ended June 30, 2017 and 2016:

| | 2017 | |
|--------------------|---------------------|--------------------|
| | Energy Share | Others |
| Balance, beginning | \$ 2,895,420 | \$ 665,302 |
| Amounts received | 10,769,293 | 2,655,459 |
| Amounts disbursed | <u>(10,003,667)</u> | <u>(3,309,520)</u> |
| Balance, ending | <u>\$ 3,661,046</u> | <u>\$ 11,241</u> |
| | 2016 | |
| | Energy Share | Others |
| Balance, beginning | \$ 826,928 | \$ 696,822 |
| Amounts received | 6,920,799 | 1,864,784 |
| Amounts disbursed | <u>(4,852,307)</u> | <u>(1,896,304)</u> |
| Balance, ending | <u>\$ 2,895,420</u> | <u>\$ 665,302</u> |

5. Unrestricted Net Assets:

Unrestricted net assets as of June 30 consisted of the following:

| | 2017 | 2016 |
|---------------------------------------|---------------------|---------------------|
| Designated by the Board of Directors: | | |
| Capital Replacement Reserve Fund | \$ 4,734 | \$ 38,664 |
| Community Impact Reserve | 62,295 | 120,046 |
| Community Reserve Fund | 4,178,439 | 5,153,932 |
| Pension Plan obligation | 531,044 | 595,544 |
| Southside Reserve Fund | 29,823 | 31,694 |
| United Way operations | 1,726,829 | 1,730,557 |
| Building and equipment net assets | <u>121,875</u> | <u>101,589</u> |
| Total unrestricted | <u>\$ 6,655,039</u> | <u>\$ 7,772,026</u> |

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

6. Temporarily Restricted Net Assets:

Temporarily restricted net assets as of June 30 are available for the following purposes or periods:

| | <u>2017</u> | <u>2016</u> |
|--|-------------------|-------------------|
| Education/Early Care: | | |
| Early Childhood/Smart Beginnings | \$ 5,528 | \$ 5,528 |
| Youth Program Quality Initiative | 168,382 | 143,812 |
| Petersburg City | 20,000 | - |
| Harvard Fellows | 155,551 | - |
| Income/Financial Stability: | | |
| 211 - Information and Referral | 5,442 | 7,298 |
| Metrocare | 5,483 | 3,454 |
| THRIVE Collaborative | 141,440 | 104,621 |
| Metrocash | 74,618 | 26,762 |
| Health | | |
| Social Isolation | 37,143 | 40,618 |
| Trauma Networks | 22,000 | - |
| Beyond ACES | 11,682 | - |
| Bridging Richmond | 4,245 | - |
| Other | | |
| Strategic Volunteerism | <u>25,420</u> | <u>10,845</u> |
| | 676,934 | 342,938 |
| Annual campaign desig. for future periods | <u>217,882</u> | <u>127,414</u> |
| | <u>\$ 894,816</u> | <u>\$ 470,352</u> |

7. Permanently Restricted Net Assets:

There were no permanently restricted net assets at June 30, 2017 and 2016. Permanently restricted net assets are restricted to investment in perpetuity, the income of which is expendable to support purposes as stipulated by the donor.

The Organization's policy is to transfer all endowment funds to The United Way of Greater Richmond & Petersburg Endowment Fund, assets of which are held by the Community Foundation unless otherwise directed by the Board (see Note 12).

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

8. Net Assets Released from Restrictions:

Net assets released for expenses satisfying the restricted purposes of grants were as follows:

| | <u>2017</u> | <u>2016</u> |
|--|-------------------|---------------------|
| Expenses satisfying restricted purposes: | | |
| Education/Early Care: | | |
| Early Childhood/Smart Beginnings | \$ 74,844 | \$ 628,473 |
| Youth Program Quality Initiative | 200,654 | 81,429 |
| Infant and Toddler | 10,676 | 42,909 |
| Harvard Fellows | 14,449 | - |
| Income/Financial Stability: | | |
| 211 - Information and Referral | 67,112 | 59,157 |
| Metrocare | 12,000 | 48,000 |
| THRIVE Collaborative | 78,181 | 163,398 |
| Metrocash | 133,278 | 101,483 |
| Health | | |
| Social Isolation | 21,000 | 36,389 |
| Beyond ACES | 13,418 | - |
| Bridging Richmond | 255 | - |
| Other | | |
| Strategic Volunteerism | 1,177 | 3,116 |
| | <u>\$ 627,044</u> | <u>\$ 1,164,354</u> |

9. Retirement Plans:

Defined Benefit Plan:

United Way of Greater Richmond & Petersburg administers and sponsors a multiple employer noncontributory defined benefit plan (as defined by ERISA and IRS code), the Defined Benefit Pension Plan of United Way of Greater Richmond & Petersburg and Affiliated Agencies (the "Plan"), which covered substantially all employees of the Organization until the Plan was frozen. Each year, the Organization sets the rate of contribution for covered salaries for all affiliated agencies.

The Plan funds the employee benefits of the Organization and affiliated agencies as if the employees worked for one entity. As such the actuarial calculations are not determined for the individual organizations participating in this Plan. GAAP considers the current year contribution for this type of plan to be the pension costs, and no Plan asset or obligation for benefits is recorded in the Organization's financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

9. Retirement Plans, Continued:

Defined Benefit Plan, Continued:

The Organization's contributions to the Plan amounted to \$332,759 in fiscal year 2017 and \$294,242 in fiscal year 2016.

As of January 1, 2017 and 2016, the most recent measurement dates for the Plan, the fair value of Plan assets amounted to \$30,622,800 and \$29,543,019 respectively, and the present value of accumulated Plan benefits amounted to \$33,894,543 and \$30,100,012 respectively. As of June 30, 2017 and 2016, the fair value of Plan assets amounted to approximately \$32,633,513 and \$30,179,591, respectively. Based on actuarial assumptions, current interest rates, market conditions, requirements of the Pension Protection Act, and other factors, the Organization and affiliated agencies are likely to be required to make future contributions to the Plan. At June 30, 2017 and 2016, the Organization had \$531,044 and \$595,544, respectively, of net assets designated for future obligations related to the Plan.

On September 26, 2008, the Board of Directors of United Way of Greater Richmond & Petersburg approved a resolution to freeze the Plan, effective December 31, 2008. The Organization set funding requirements from the Organization and affiliated agencies amounting to \$1,500,000 for the year ended June 30, 2017 and \$1,382,650 for the year ended June 30, 2016, which is allocated according to the respective benefit liability of each agency. This amount is subject to revision based on changes in legislation and other related factors. Since the Organization is the Plan Sponsor, should the participating entities not fulfill their funding responsibilities, the Organization could be exposed to additional risk.

Defined Contribution Plan:

In addition, the Organization sponsors a defined contribution retirement plan which covers all employees who meet eligibility requirements. The plan enables participants to make contributions, and the Organization may make matching contributions. The Organization's contributions to the plan amounted to \$19,579 for the year ended June 30, 2017 and \$23,315 for the year ended June 30, 2016.

10. Line of Credit:

The Organization has available an unsecured line of credit of \$1,000,000. The line of credit has an interest rate of one-month LIBOR plus 2.0% per annum, is due on demand and renews annually. The next renewal will be on February 18, 2018. There have not been any borrowings against this line.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

11. Lease Commitments:

The Organization leases office space through October 2020 and equipment under non-cancelable operating leases. As of June 30, 2017 future combined equipment and office lease payments are as follows:

| | | |
|------|----|------------------|
| 2018 | \$ | 363,457 |
| 2019 | | 369,178 |
| 2020 | | 376,801 |
| 2021 | | <u>128,155</u> |
| | \$ | <u>1,237,591</u> |

Rent expense for the years ended June 30, 2017 and 2016 was \$358,568 and \$354,130 respectively. The Organization had a deferred rent liability of \$15,227 as of June 30, 2017 related to the impact of recording lease payments on a straight-line basis over the lease terms.

12. Related Party Transactions:

Fund:

The United Way of Greater Richmond & Petersburg Endowment and E. Claiborne Robins Endowment were organized to support the charitable and educational activities consistent with the mission of United Way of Greater Richmond & Petersburg. The endowment assets are held by the Community Foundation and are not reflected in the financial statements of the Organization.

Summary financial information as of June 30, 2017 and 2016 is as follows:

| | | |
|--------------|--------------|--------------|
| | <u>2017</u> | <u>2016</u> |
| Fund balance | \$ 5,781,910 | \$ 5,598,211 |

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

13. Overhead:

United Way of Greater Richmond & Petersburg provides an overhead measure for analytical review and comparison with other United Ways as established by United Way Worldwide membership standards. The percentage is based on gross revenues less allowance for uncollectible pledges. Overhead expenses include fundraising, management, and general expenses including depreciation, and United Way Worldwide membership dues. The percentages for 2017 and 2016 are as follows:

| | 2017 | 2016 |
|--|--------------|---------------|
| Net public support and revenue | \$ 7,640,040 | \$ 9,158,604 |
| Unrealized gains, net | (486,063) | (108,818) |
| Recovery of shrinkage for prior years | (31,044) | (190,499) |
| Donor designations | 2,598,399 | 4,364,492 |
| Provision for uncollectible pledges | 344,138 | 512,000 |
| Gross revenues | 10,065,470 | 13,735,779 |
| Less provision for uncollectible pledges | (344,138) | (512,000) |
| Net revenues | \$ 9,721,332 | \$ 13,223,779 |
| | | |
| Fundraising | \$ 1,425,381 | \$ 1,354,770 |
| Management and general | 1,114,342 | 1,213,006 |
| Total overhead | \$ 2,539,723 | \$ 2,567,776 |
| | | |
| Percent of net revenues: | | |
| Fundraising | 14.66% | 10.24% |
| Management and general | 11.46% | 9.17% |
| Total overhead, net method | 26.12% | 19.41% |

14. Indemnification:

The Organization has certain obligations to indemnify its current and former officers and directors for certain events or occurrences while the officer or director is, or was, serving, at the Organization's request in such capacities. The maximum liability under these obligations is limited by the Code of Virginia, and the Organization's insurance policies also serve to limit its exposure. The Organization is not aware of any such obligations.

15. Subsequent Events:

Management has evaluated subsequent events through November 13, 2017, the date the financial statements were available to be issued, and has determined there are no subsequent events to be reported in the accompanying financial statements.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

16. New Accounting Guidance:

Financial Reporting Changes for Non-Profits: In August 2016, FASB issued ASU No. 2016-14, "Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities", which both simplifies certain aspects of reporting required by not-for-profit organizations and increases disclosures with a goal to improve the usefulness of not-for-profit financial statements to the various stakeholders, including management, directors, lenders, and donors. Significant changes include the following:

- Replaces the existing three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) with two new classes of net assets—net assets with donor restrictions and net assets without donor restrictions
- Changes the net asset classification of the underwater amounts of donor-restricted endowment funds to be shown as a component of *net assets with donor restrictions* and requires additional disclosures for underwater endowment funds
- Requires all not-for-profits to provide expenses by nature and function
- Requires expansive disclosures (both quantitative and qualitative) of information about liquidity and availability of resources

The amendments in this ASU are effective for fiscal years beginning after December 15, 2017 with early adoption permitted. The Organization has elected not to early adopt this ASU and intends to adopt it prior to the required transition date.

Leases: In February 2016, the FASB issued new guidance over leases which requires that all leasing activity with initial terms in excess of twelve months be recognized on the statement of financial position with a right of use asset and a lease liability. The standards will require entities to classify leases as either a finance or operating lease based upon the contractual terms. For finance leases, the right to use asset and lease liability will be calculated based upon the present value of the lease payments. The asset will then be amortized and the interest on the obligation will be recognized separately within the statement of activities. On the statement of cash flows, the principal portion of the financing lease payments will be classified as a financing activity. For operating leases, the right to use asset and lease liability will also be calculated based upon the present value of the lease payments. However, the cost of the lease will generally be allocated over the lease term on a straight-line basis and presented as a single expense on the statement of activities. On the statement of cash flows, all cash payments for operating leases will be classified as an operating activity. The new standard will be effective for periods beginning after December 15, 2019, and will require entities to use a modified retrospective approach to the earliest period presented. The Organization has elected not to early adopt this ASU and intends to adopt it prior to the required transition date.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Notes to Financial Statements, Continued

16. New Accounting Guidance, Continued:

Revenue Recognition: During 2014, the FASB issued a new standard for revenue recognition, ASU 2014-09. The standard defines a process for evaluating revenue recognition including 1) identify the contract, 2) identify separate performance obligations, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations, and 5) recognize revenue when (or as) the organization satisfies a performance obligation. One of the key concepts in the standard is that revenue should be recognized when a customer has control over a good or service. The standard also requires an entity to enhance revenue recognition disclosures in the accounting policy footnote including both quantitative and qualitative information, significant judgments involved in the process, and the amount and timing of remaining performance obligations. The standard is effective for private companies for annual reporting periods beginning after December 15, 2018. The Organization has elected not to early adopt this ASU and intends to adopt it prior to the required transition date.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Schedule of Net Assets
Year Ended June 30, 2017

| | Balance 6/30/2016 | Support and Revenue | Allocations and Expenses | Reclassifications | Balance 6/30/2017 |
|--|----------------------|------------------------|-----------------------------|-------------------|----------------------|
| Unrestricted net assets: | | | | | |
| Undesignated | \$ - | \$ 707,770 | \$ - | (707,770) | \$ - |
| Designated net assets: | | | | | |
| Capital Replacement Reserve | 38,664 | 26,250 | - | (60,180) | 4,734 |
| Community Impact Reserve | 120,046 | (50,000) | 40,249 | 32,500 | 62,295 |
| Community Reserve Fund | 5,153,930 | 177,869 | - | (1,153,360) | 4,178,439 |
| Pension Plan Obligation | 595,546 | - | 64,500 | (2) | 531,044 |
| Southside Reserve Fund | 31,694 | - | 1,872 | - | 29,823 |
| United Way Operations | 1,730,557 | 400,466 | 3,470,465 | 3,066,271 | 1,726,829 |
| Total designated net assets | 7,670,437 | 1,262,355 | 3,577,086 | 1,177,459 | 6,533,164 |
| Land, building, and equipment net assets | 101,589 | - | 39,894 | 60,179 | 121,875 |
| Total unrestricted net assets | \$ 7,772,026 | \$ 1,262,355 | \$ 3,616,980 | \$ 1,237,638 | \$ 6,655,039 |

See report of independent accountants.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Schedule of Net Assets, Continued
Year Ended June 30, 2017

| | Balance 6/30/2016 | Support and Revenue | Allocations and Expenses | Reclassifications | Balance 6/30/2017 |
|--|----------------------|------------------------|--------------------------------|--------------------|----------------------|
| Temporarily restricted net assets: | | | | | |
| Education/Early Care: | | | | | |
| Early Childhood/Smart Beginnings | \$ 5,528 | \$ 74,844 | 74,844 | - | 5,528 |
| Youth Program Quality Initiative | 143,812 | 189,450 | 200,654 | 35,774 | 168,382 |
| Harvard Fellows | - | 170,000 | 14,449 | - | 155,551 |
| Petersburg City Schools | - | 20,000 | - | - | 20,000 |
| Infant and Toddler | 6,067 | 16,833 | 10,676 | - | 12,224 |
| Income/Financial Stability: | | | | | |
| 211 - Information and Referral | 1,232 | 59,098 | 67,112 | - | (6,782) |
| Metrocare | 3,455 | 14,028 | 12,000 | - | 5,483 |
| THRIVE Collaborative | 104,621 | 40,000 | 78,181 | 75,000 | 141,440 |
| Metrocash | 26,761 | 146,133 | 133,278 | 35,002 | 74,618 |
| Health | | | | | |
| Special Isolation Initiative | 40,618 | 25 | 21,000 | 17,500 | 37,143 |
| Trauma Networks | - | - | - | 22,000 | 22,000 |
| Beyond Aces | - | 15,100 | 13,418 | 10,000 | 11,682 |
| Bridging Richmond | - | 4,500 | 255 | - | 4,245 |
| Annual Campaign designated for future periods | 127,414 | 5,621,714 | 4,088,539 | (1,442,707) | 217,882 |
| Other | | | | | |
| Strategic Volunteerism | 10,844 | 5,960 | 1,177 | 9,793 | 25,420 |
| Total temporarily restricted net assets | <u>470,352</u> | <u>6,377,685</u> | <u>4,715,583</u> | <u>(1,237,638)</u> | <u>894,816</u> |
| Permanently restricted net assets: | - | - | - | - | - |
| | <u>\$ 8,242,378</u> | <u>\$ 7,640,040</u> | <u>\$ 8,332,563</u> | <u>\$ -</u> | <u>\$ 7,549,855</u> |

See report of independent accountants.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Schedule 1
Summary of Community Initiatives
Year Ended June 30, 2017

| | Education / Children and Youth | | | | Health | | | | Income / Financial Stability | | | | Misc Programs* | Program Expenses | |
|---------------------------------------|--------------------------------|-------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------------------|------------------|------------------|-------------------|-------------------|-------------------|-------|
| | Early Care / | | Smart | | Total | Older Adults | Other | Total | Metrocash | 2-1-1 | THRIVE/ | | | | Total |
| | Infant & Toddler | Ready by 21 | Beginnings | Other | | | | | | | THRIVE/ | Other | | | |
| Salaries | \$ 8,679 | \$ - | \$ 7,210 | \$ 12,364 | \$ 28,253 | \$ - | \$ - | \$ - | \$ 101,178 | \$ 48,000 | \$ - | \$ 149,178 | \$ 66,522 | \$ 243,953 | |
| Health and retirement benefits | 1,236 | - | 1,963 | - | 3,099 | - | - | - | 7,749 | 8,814 | - | 16,563 | 7,236 | 26,898 | |
| Payroll taxes | 429 | - | 512 | 1,199 | 2,140 | - | - | - | 7,359 | 3,448 | - | 10,807 | 4,835 | 17,792 | |
| Moving and recruitment | - | 73 | - | - | 73 | - | - | - | - | - | - | - | - | 73 | |
| Specific program expenses | - | 163,593 | 57,670 | - | 221,263 | 20,000 | - | - | - | - | 57,500 | 57,500 | 13,857 | 312,620 | |
| Pension obligation | - | - | - | - | - | - | - | - | - | - | - | - | 64,500 | 64,500 | |
| Professional fees | - | 27,895 | 5,068 | - | 32,763 | - | 1,029 | - | 2,850 | - | 6,964 | 9,914 | - | 43,706 | |
| Supplies | - | 686 | - | - | 686 | - | 338 | - | 9,125 | 52 | 5,650 | 15,027 | - | 16,051 | |
| Telephone | - | - | - | - | - | - | - | - | - | - | - | - | 1,697 | 1,697 | |
| Postage and shipping | 182 | - | - | - | 182 | - | - | - | 183 | - | - | 183 | - | 365 | |
| Occupancy | - | - | 1,763 | - | 1,763 | - | - | - | - | - | - | - | 10,463 | 12,226 | |
| Equipment maintenance | 150 | - | - | - | 150 | - | - | - | 348 | - | - | 348 | 515 | 1,013 | |
| Printing and publications | - | - | - | - | - | 1,000 | - | - | 62 | 609 | - | 671 | 1,280 | 2,951 | |
| Travel and related expenses | - | 5,001 | 44 | - | 5,045 | - | 12,052 | - | 815 | 6,063 | 7,507 | 14,385 | 2,419 | 33,901 | |
| Conferences and meetings | - | 3,605 | - | 255 | 3,860 | - | - | - | 3,511 | 125 | 360 | 3,996 | 201 | 8,057 | |
| Miscellaneous | - | - | 713 | 886 | 1,599 | - | - | - | - | - | - | - | 55 | 1,654 | |
| Total before UW Worldwide dues | 10,676 | 200,653 | 74,843 | 14,704 | 300,876 | 21,000 | 13,419 | 78,181 | 133,280 | 67,111 | 78,181 | 278,572 | 173,580 | 787,447 | |
| United Way Worldwide dues | - | - | - | - | - | - | - | - | - | - | - | - | 20,590 | 20,590 | |
| Total functional expenses | \$ 10,676 | \$ 200,653 | \$ 74,843 | \$ 14,704 | \$ 300,876 | \$ 21,000 | \$ 13,419 | \$ 78,181 | \$ 133,280 | \$ 67,111 | \$ 78,181 | \$ 278,572 | \$ 194,170 | \$ 808,037 | |

*Misc programs includes labor, pension plan future obligations, a prorated portion of depreciation and United Way Worldwide dues, and contributions to the partnership for nonprofit excellence.
Note: The Organization distributes allocable expenses based on the number of full-time employees amongst the various functional areas.

See report of independent accountants.

UNITED WAY OF GREATER RICHMOND & PETERSBURG

Schedule 1
Summary of Community Initiatives
Year Ended June 30, 2016

| | Education / Children and Youth | | | Health | | | Income / Financial Stability | | | Misc Programs* | Program Expenses |
|---------------------------------------|--------------------------------|------------------|-------------------|------------------|-------------------|------------------|------------------------------|-------------------|-------------------|---------------------|------------------|
| | Infant & Toddler | Ready by 21 | Smart Beginnings | Social Isolation | Metrocash / EITC | 2-1-1 | Other | Total | Other | | |
| Salaries | \$ 29,985 | \$ - | \$ 29,309 | \$ - | \$ 78,026 | \$ 41,430 | \$ - | \$ 119,456 | \$ 69,517 | \$ 248,267 | |
| Health and retirement benefits | 6,137 | - | 10,373 | - | 6,726 | 8,314 | - | 15,040 | 6,761 | 38,311 | |
| Payroll taxes | 1,763 | - | 2,242 | - | 5,382 | 2,869 | - | 8,251 | 5,437 | 17,693 | |
| Specific program expenses | - | 39,099 | 538,100 | 25,000 | - | - | 208,500 | 208,500 | 65,521 | 876,220 | |
| Pension obligation | - | - | - | - | - | - | - | - | 60,476 | 60,476 | |
| Professional fees | 2,010 | 31,500 | 30,447 | 160 | - | - | 5,130 | 5,130 | 1,070 | 70,317 | |
| Supplies | 56 | 105 | - | - | 5,831 | 6 | - | 5,837 | 211 | 6,209 | |
| Telephone | 83 | - | - | - | - | - | - | - | 1,713 | 1,796 | |
| Postage and shipping | 911 | - | - | - | - | 103 | - | 103 | - | 1,014 | |
| Occupancy | - | - | 10,096 | - | - | 342 | - | 342 | 8,801 | 19,239 | |
| Equipment maintenance | - | - | - | - | - | - | - | - | 7,454 | 7,454 | |
| Printing and publications | 1,593 | 249 | 1,175 | (146) | 3,286 | 568 | 1,035 | 4,889 | 4,676 | 12,436 | |
| Travel and related expenses | 371 | 7,527 | 1,337 | 10,104 | 681 | 5,276 | (3,876) | 2,081 | 345 | 21,765 | |
| Conferences and meetings | - | 2,948 | - | 172 | 1,551 | 199 | 3,665 | 5,415 | 2,090 | 10,625 | |
| Depreciation expense | - | - | - | - | - | - | - | - | 15,661 | 15,661 | |
| Miscellaneous | - | - | - | - | - | 50 | 60 | 110 | 5,706 | 5,816 | |
| Total before UW Worldwide dues | 42,909 | 81,428 | 623,079 | 35,290 | 101,483 | 59,157 | 214,514 | 375,154 | 255,439 | 1,413,299 | |
| United Way Worldwide dues | - | - | 5,393 | - | - | - | - | - | 16,379 | 21,772 | |
| Total functional expenses | \$ 42,909 | \$ 81,428 | \$ 628,472 | \$ 35,290 | \$ 101,483 | \$ 59,157 | \$ 214,514 | \$ 375,154 | \$ 271,818 | \$ 1,435,071 | |

*Misc programs include labor, directors & officers insurance, pension contributions, a prorated portion of depreciation and United Way dues.

Note: The Organization distributes allocable expenses based on the number of full-time employees amongst the various functional areas.

See report of independent accountants.