

**UNITED WAY OF CARLISLE
&
CUMBERLAND COUNTY
AND
UNITED WAY ENDOWMENT FUND
OF CARLISLE PENNSYLVANIA
FINANCIAL REPORT
JUNE 30, 2019**

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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, 2019, and the related consolidated statements 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, 2019, 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

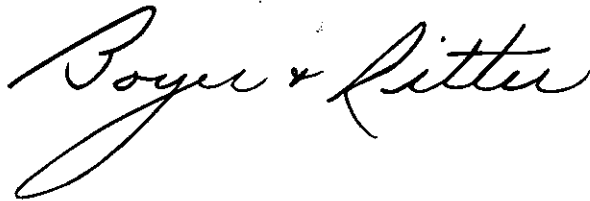
We have previously audited the United Way of Carlisle & Cumberland County and United Way Endowment Fund of Carlisle Pennsylvania's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 9, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As disclosed in Note 1 to the financial statements, the Organization adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*.

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.



Camp Hill, Pennsylvania
October 10, 2019

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2019 (with comparative totals for 2018)**

ASSETS	2019	2018
<hr/>		
Current Assets		
Cash and cash equivalents	\$ 887,690	\$ 933,224
Pledges receivable, net allowance for uncollectible pledges 2019 \$36,517; 2018 \$29,315	206,083	251,543
Other receivables	26,148	3,313
Prepaid expenses	4,378	14,829
	<hr/>	
Total current assets	1,124,299	1,202,909
	<hr/>	
Property and Equipment		
Land	51,207	55,239
Building and improvements	504,953	500,585
Equipment and furniture	53,832	53,832
Less accumulated depreciation	(331,182)	(319,568)
	<hr/>	
	278,810	290,088
	<hr/>	
Other Assets		
Beneficial interest in split-interest agreements, Endowment Funds and Board Designated Investments	4,096,080	3,847,868
	<hr/>	
Total assets	\$ 5,499,189	\$ 5,340,865
	<hr/>	

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS

	2019	2018
Current Liabilities		
Allocations payable	\$ 317,002	\$ 325,000
Donor choice allocations payable	179,523	154,746
Accounts payable	17,027	14,786
Deferred revenue	160	910
Compensated absences	13,450	10,878
Payroll taxes and withholdings	5,218	6,926
Total current liabilities	<u>532,380</u>	<u>513,246</u>
Net Assets		
Without donor restrictions		
Undesignated	706,756	722,774
Board designated	260,597	259,611
Total without donor restrictions	<u>967,353</u>	<u>982,385</u>
With donor restrictions	3,999,456	3,845,234
Total net assets	<u>4,966,809</u>	<u>4,827,619</u>
Total liabilities and net assets	<u>\$ 5,499,189</u>	<u>\$ 5,340,865</u>

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

CONSOLIDATED STATEMENT OF ACTIVITIES
 Year Ended June 30, 2019 (with comparative totals for 2018)

	Without Donor Restrictions	With Donor Restrictions
Public Support and Revenue		
Gross Campaign Results (2018/2019)	\$ 1,248,303	\$ -
Gross Campaign Results in prior year - released from restriction	91,463	(91,463)
(less donor designations)	(602,829)	-
Net Campaign Revenue (2018/2019)	736,937	(91,463)
Gross Campaign Results (2019/2020)	-	14,667
Special Events - net	45,348	-
An Evening for the Children Gala	53,664	-
Less: costs of direct benefit to donors	(17,211)	-
An Evening for the Children Gala-net	36,453	-
Other Contributions		
Endowment	-	212,784
Corporate sponsorships	14,000	5,000
Student Council	-	-
Women's Leadership Council	-	2,553
Loss on liquidation of contributed investments	22	-
Collections over prior years' estimated receivables	(26,351)	-
In-kind contributions	16,005	-
Total other contributions	3,676	220,337
Designations from other United Ways	29,787	-
Service fee income	4,581	-
Grants	26,123	49,371
Investment Income		
Trust and Endowment Fund income	76,363	170,133
Interest income	15,260	-
Unrealized gain (loss) on investments	(1,432)	(38,965)
Total investment income	90,191	131,168
Rental income	6,850	-
Gain on sale of land	25,968	-
Miscellaneous income	843	-
Other net assets released from restrictions	169,858	(169,858)
Total revenue, gains and other support	1,176,615	154,222

(Continued)

	Total 2019	Total 2018
\$	1,248,303	\$ 1,332,225
	-	-
	(602,829)	(597,237)
	645,474	734,988
	14,667	91,463
	45,348	39,854
	53,664	49,400
	(17,211)	(17,135)
	36,453	32,265
	212,784	8,169
	19,000	19,290
	-	1,000
	2,553	1,940
	22	46
	(26,351)	(371)
	16,005	20,863
	224,013	50,937
	29,787	29,316
	4,581	3,346
	75,494	113,495
	246,496	417,825
	15,260	6,555
	(40,397)	(46,486)
	221,359	377,894
	6,850	11,700
	25,968	-
	843	1,080
	-	-
	1,330,837	1,486,338

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

**CONSOLIDATED STATEMENT OF ACTIVITIES (Continued)
Year Ended June 30, 2019 (with comparative totals for 2018)**

	Without Donor Restrictions	With Donor Restrictions
Allocations and Expenses		
Program Services		
Gross funds allocated/distributed:		
2018 campaign	1,287,286	-
Omit an agency	966	-
Total gross funds allocated/distributed	<u>1,288,252</u>	<u>-</u>
(less donor designations)	<u>(602,829)</u>	<u>-</u>
Net Funds allocated/distributed	685,423	-
Community Impact/Member Agency Relations	144,086	-
Success by Six	<u>120,061</u>	<u>-</u>
Total Program Services	949,570	-
Supporting Services		
Management and general	164,631	-
Fundraising	<u>77,446</u>	<u>-</u>
Total supporting services	<u>242,077</u>	<u>-</u>
Total allocations and expenses	<u>1,191,647</u>	<u>-</u>
Changes in net assets	(15,032)	154,222
Net Assets:		
Beginning	982,385	3,845,234
Ending	<u>\$ 967,353</u>	<u>\$ 3,999,456</u>

See Notes to Financial Statements.

Total 2019	Total 2018
1,287,286	1,296,475
966	2,221
1,288,252	1,298,696
(602,829)	(597,237)
685,423	701,459
144,086	170,533
120,061	128,011
949,570	1,000,003
164,631	156,443
77,446	77,840
242,077	234,283
1,191,647	1,234,286
139,190	252,052
4,827,619	4,575,567
\$ 4,966,809	\$ 4,827,619

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

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019 (with comparative totals for 2018)

	Program Services		
	Community Impact/Member Agency Relations	Success by Six	Total Program
Salaries	\$ 78,554	\$ 25,140	\$ 103,694
Payroll taxes	6,308	2,162	8,470
Employee benefits	11,967	2,500	14,467
	<u>96,829</u>	<u>29,802</u>	<u>126,631</u>
Office expense/supplies	2,752	9,007	11,759
Printing and copying	880	-	880
Postage and shipping	622	-	622
Telephone and networks	1,578	511	2,089
Occupancy	8,843	2,864	11,707
Accounting fees	-	-	-
Insurance	2,141	693	2,834
Travel and meals	279	346	625
Communications/marketing	11,212	1,719	12,931
Training and program supplies	1,694	1,112	2,806
Meetings and conferences	44	-	44
Childcare scholarships	-	69,740	69,740
Miscellaneous expense	490	-	490
Campaign/leadership expenses	-	-	-
Contract services/Other UW	2,000	-	2,000
Gala indirect expenses	-	-	-
Technology expenses	1,547	-	1,547
United Way dues	8,553	2,770	11,323
Depreciation	4,622	1,497	6,119
Total functional expenses*	<u>\$ 144,086</u>	<u>\$ 120,061</u>	<u>\$ 264,147</u>

See Notes to Financial Statements.

Support Services

Management and General	Fundraising	Total Support	Total 2019	Total 2018
\$ 90,667	\$ 28,150	\$ 118,817	\$ 222,511	\$ 216,485
7,424	2,116	9,540	18,010	17,192
14,297	3,803	18,100	32,567	32,137
112,388	34,069	146,457	273,088	265,814
2,296	1,867	4,163	15,922	22,014
734	598	1,332	2,212	1,968
519	423	942	1,564	1,992
1,316	559	1,875	3,964	3,755
7,377	3,135	10,512	22,219	17,204
14,235	-	14,235	14,235	16,625
1,786	760	2,546	5,380	5,392
233	190	423	1,048	878
9,352	7,606	16,958	29,889	29,652
-	-	-	2,806	9,259
37	29	66	110	(91)
-	-	-	69,740	85,923
408	332	740	1,230	1,135
-	20,384	20,384	20,384	25,590
1,669	1,357	3,026	5,026	6,436
-	417	417	417	684
1,290	1,049	2,339	3,886	5,468
7,135	3,032	10,167	21,490	20,922
3,856	1,639	5,495	11,614	12,207
\$ 164,631	\$ 77,446	\$ 242,077	\$ 506,224	\$ 532,827

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

CONSOLIDATED STATEMENT OF CASH FLOWS
 Year Ended June 30, 2019 (with comparative totals for 2018)

	2019	2018
Cash Flows From Operating Activities		
Changes in net assets	\$ 139,190	\$ 252,052
Gross Campaign Results (2019/2018) to net cash used in operating activities		
Depreciation	11,614	12,207
Gain on sale of land	(25,968)	-
Gain on sale of contributed stock donated	(22)	-
Net realized and unrealized (gain) loss on investments	(63,987)	(153,966)
Permanently restricted contributions received	(212,784)	(8,169)
Decrease (increase) in value of and split-interest agreements	13,575	(85,566)
Changes in assets and liabilities:		
(Increase) decrease in:		
Pledges receivable	45,460	9,565
Other receivable	(22,835)	554
Prepaid expenses	10,451	(5,332)
(Decrease) increase in:		
Allocations payable	16,779	(7,554)
Accounts payable	2,241	(14,116)
Deferred revenue	(750)	(750)
Accrued expenses	864	49
Net cash used in operating activities	(86,172)	(1,026)
Cash Flows From Investing Activities		
Proceeds from sale of land	30,000	-
Purchase of investments	(212,784)	(8,169)
Proceeds from sale of investments	15,006	3,572,268
Purchases of property and equipment	(4,368)	(3,545,748)
Net cash provided by (used in) investing activities	(172,146)	18,351
Cash Flows From Financing Activities		
Permanently restricted contributions received	212,784	8,169
Net increase (decrease) in cash and cash equivalents	(45,534)	25,494
Cash and Cash Equivalents:		
Beginning	933,224	907,730
Ending	\$ 887,690	\$ 933,224

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 7.

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 of Carlisle & Cumberland County and United Way Endowment Fund of Carlisle Pennsylvania's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as promulgated for not-for-profit organizations. Those standards require the Organization to report information regarding its financial position and activities according to the following classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified in the Statement of Activities from net assets with donor restrictions to net assets without donor restrictions.

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)

Adoption of New Accounting Pronouncements: The Organization adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*, which changes presentation and disclosure requirements of not-for-profit entities. The Update provides for the classification of net assets into those with donor restrictions and those without donor restrictions, presentation of expenses by natural and functional classifications, information about liquidity and availability of resources, information provided about investment returns, and disclosures of amounts and purposes of board designations of net assets and the composition of net assets with donor restrictions.

The amendments required by this ASU have been applied retrospectively except for the disclosures about liquidity and availability of resources for the year ended June 30, 2018, as allowed by the Update. Adoption of this standard resulted in no material impact on the Organization's results of operations or financial condition.

Recent Accounting Pronouncements: In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). The amendments in this Update are provided to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance, e.g. Topic 606, and (2) determining whether a contribution is conditional. The amendments in this Update are applicable for contributions received or made during annual periods beginning after June 15, 2018, in which an entity is either a public-business entity or a not-for-profit that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or over-the-counter market. For all other entities, the amendments in this Update are applicable to annual periods beginning after December 15, 2018. Early adoption of the amendments is permitted. The amendments in this Update are to be applied on a modified-prospective basis, although retrospective application is permitted. Under a modified-prospective basis, in the first set of financial statements following the effective date, the amendments should be applied to agreements that are either not completed as of the effective date or entered-into after the effective date. Management is currently evaluating the effect that the amendments will have on the Organization's financial statements.

In May 2014, FASB issued ASU 2014-09, *Revenue from contracts with Customers* (Topic 606), requiring the entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing, revenue-recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Upon the issuance of ASU 2015-14, FASB deferred the effective date for non-public companies to annual reporting periods beginning after December 15, 2018. The Organization has not yet selected a transition method and is currently evaluating the effect that the standard will have on the 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 (Continued)

Recent Accounting Pronouncements (Continued): In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842). The most significant change in the new lease guidance requires lessees to recognize right-of-use assets and lease liabilities for all leases other than those that meet the definition of short-term leases. For short-term leases, lessees may elect an accounting policy by class of underlying asset under which these assets and liabilities are not recorded, and lease payments are generally recognized over the lease term on a straight-line basis. This change will result in lessees recognizing right-of-use assets and lease liabilities for most leases currently accounted for as operating leases under legacy accounting principles generally accepted in the United States of America. For all entities other than public-business enterprises, this standard is effective for annual periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2020. Early adoption is permitted. Management is currently evaluating the effects that this standard will have on the Organization's financial statements.

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 Statement 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, 2019 and 2018; consist of money market funds in accounts at local financial institutions.

Property and Equipment: Property and equipment are stated at cost less accumulated depreciation. Property and equipment costing over \$1,000 are capitalized. Depreciation is computed using the straight-line method over the assets' estimated, useful lives. Upon retirement or sale, the cost and accumulated depreciation of such assets are removed from the accounts, and any resulting gain or loss is included in the determination of changes in net assets. Expenditures for maintenance and repairs, which neither materially add to the value of property and equipment nor appreciably prolong their useful lives, are charged to expense as incurred.

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 \$12,938 and \$13,274 for the years ended June 30, 2019 and 2018, 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.

**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)

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.

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.

Support and Revenue: Contributions received, and unconditional promises-to-give are measured at fair value and are reported as increases in net assets. The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations limiting the use of the donated assets, or if the gifts are designated for future periods. When a donors' restriction expires; that is, when stipulated, time restrictions end or purpose restrictions are accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as "net assets released from restrictions". Donor-restricted contributions, the restrictions of which are met in the same reporting period, are reported as support without donor restrictions.

The Organization reports gifts of materials and equipment as support without donor restrictions 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 support with donor restrictions. Absent explicit, donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Materials and Services: Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values upon receipt.

Advertising Expense: The Organization expenses advertising costs as incurred.

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 10, 2019, which is the date the financial statements were available to be issued.

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

NOTES TO FINANCIAL STATEMENTS

Note 2. Liquidity

Financial assets available for general expenditure; that is, without donor or other restrictions limiting their use; within one year of June 30, 2019, comprise the following:

	Amount
Financial assets at year-end:	
Cash and cash equivalents	\$ 887,690
Pledges receivable	206,083
Other Receivables	26,148
Endowment funds	2,835,269
Beneficial interest in perpetual trust	1,260,811
Total Financial Assets	<u>5,216,001</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions subject to purpose restriction	
Endowment fund	2,616,849
Beneficial interest in perpetual trust	1,260,811
Board designated portion of endowment fund	218,420
Financial assets not available for use within one year	<u>4,096,080</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$1,119,921</u>

United Way of Carlisle & Cumberland County and United Way Endowment Fund of Carlisle Pennsylvania is funded in part by contributions from donors that contain restrictions. Those restrictions require that resources be used for certain purposes or in future periods. Therefore, the Organization must maintain adequate resources to meet those responsibilities to its donors, and as a result, certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. The Organization invests its cash in excess of its daily needs in interest-bearing accounts and marketable securities. The Organization can also draw upon a \$300,000 line-of-credit (as discussed in Note 11).

Board designated net assets represent cash reserves established by the Organization's Board of Directors for future use. However, these reserves may be available currently if necessary.

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

NOTES TO FINANCIAL STATEMENTS

Note 3. 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, 2019 and 2018, is estimated at 2.5% and 2% of actual pledges, respectively.

	2019	2018
Total Pledges Receivable - within one year	\$ 242,600	\$ 280,858
Less allowance for uncollectible pledges	<u>(36,517)</u>	<u>(29,315)</u>
Amount on Statements of Financial Position	<u>\$ 206,083</u>	<u>\$ 251,543</u>

Note 4. Allocations

Allocations payable consist of amounts committed to partner agencies through December 31, 2019, but not paid as of June 30, 2019.

Allocations expense represents amounts from the 2018 Campaign paid to agencies January through June 2018, and amounts committed from the 2018 Campaign that will be paid July through December 2019.

Note 5. 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 6 - 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 6. 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, 2019 and 2018, in-kind contributions were as follows:

	2019	2018
Contributions		
Donated advertising	\$ 11,255	\$ 16,563
Donated services and use of facility	3,250	2,800
Donated supplies	1,500	1,500
	<u>\$ 16,005</u>	<u>\$ 20,863</u>
Expenses		
Programs and support	\$ 14,505	\$ 19,013
Direct donor benefit	1,500	1,500
	<u>\$ 16,005</u>	<u>\$ 20,513</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 7. 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, the Civic Club of Carlisle Fund, 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 7. 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 and the Civic Club of Carlisle Fund 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:

	2019	2018
United Way Endowment/Board Designated Investment	\$ 2,392,632	\$ 2,342,030
Endowment Note Receivable	-	-
Brenneman Endowment	234,816	231,451
Civic Club of Carlisle Fund	207,821	-
Total Endowments	<u>2,835,269</u>	<u>2,573,481</u>
Roger K. Todd Trust	509,351	496,940
Naomi Watson Trust	322,550	330,303
Albert Watson Trust	428,910	447,144
Elimination for consolidation	-	-
	<u>\$ 4,096,080</u>	<u>\$ 3,847,868</u>

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

	2019	2018
United Way Endowment/Board Designated Investment	\$ 50,602	\$ 135,225
Endowment Note Receivable	-	-
Brenneman Endowment	3,365	(706)
Civic Club of Carlisle Fund	207,821	-
Total Endowments	<u>261,788</u>	<u>134,519</u>
Roger K. Todd Trust	12,411	23,588
Naomi Watson Trust	(7,753)	13,882
Albert Watson Trust	(18,234)	48,097
	<u>\$ 248,212</u>	<u>\$ 220,086</u>

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

NOTES TO FINANCIAL STATEMENTS

Note 7. 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:

	2019	2018
United Way Endowment/Board Designated Investment	\$ 99,352	\$ 100,708
Brenneman Endowment	5,543	4,601
Total Endowments	104,895	105,309
Roger K. Todd Trust	23,697	23,617
Naomi Watson Trust	29,000	12,166
Albert Watson Trust	13,080	18,330
	<u>\$ 170,672</u>	<u>\$ 159,422</u>

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

	2019	2018
United Way Endowment/Board Designated Investment	\$ 2,357,035	\$ 2,272,271
Brenneman Endowment	231,006	231,451
Civic Club of Carlisle Fund	202,578	-
Total Endowments	2,790,619	2,503,722
Roger K. Todd Trust	350,026	354,704
Naomi Watson Trust	284,855	279,534
Albert Watson Trust	383,302	384,116
	<u>\$ 3,808,802</u>	<u>\$ 3,522,076</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 7. 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 Net Assets Without Donor Restrictions since the monies are to be used to pay for the operations of the Organization. For the year ended June 30, 2019, the Board approved 4.5% 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 & Cumberland County at least annually.

The income from the Civic Club of Carlisle Fund is to benefit one of the following agencies: Community CARES, CPARC/The ARC of Cumberland and Perry Counties, Domestic Violence Services of Cumberland and Perry Counties, Hope Station, Sadler Caring Center, The Salvation Army, Samaritan Fellowship, and Warm the Children. The interest and dividend income, less management fees, will be paid out 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 7. 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 with donor restrictions for both the years ended June 30, 2019 and 2018, respectively. The Board Designated Investment is classified as without donor restrictions board designated net assets for June 30, 2019.

	2019	2018
Endowment Fund/Board Designated, at beginning of period	\$ 2,573,481	\$ 2,438,963
Contributions	212,784	8,169
Transfer from reserve account	-	-
Investment Returns		
Investment income	109,249	96,116
Realized gain (loss)	90,809	286,019
Unrealized gains (loss)	(26,822)	(132,053)
Net investment income	<u>173,236</u>	<u>250,082</u>
Investment fees	(19,337)	(18,424)
Amounts appropriated for expenditure	<u>(104,895)</u>	<u>(105,309)</u>
Endowment Fund/Board Designated, at end of period	<u>\$ 2,835,269</u>	<u>\$ 2,573,481</u>
Net Asset Classification		
With donor restrictions	<u>\$ 2,616,849</u>	<u>\$ 2,354,634</u>
Without donor restrictions / board designated	<u>\$ 218,420</u>	<u>\$ 218,846</u>

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

NOTES TO FINANCIAL STATEMENTS

Note 8. 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 8. 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:

	6/30/2019	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	\$ 127,284	\$ -	\$ 127,284	\$ -
Trading Securities				
U.S. Govt., municipal and Corporate bonds and notes				
Corporate and foreign bonds	127,223	127,223	-	-
Municipal bonds and notes	50,742	50,742	-	-
Fixed income mutual funds	895,228	895,228	-	-
Common stock and mutual funds				
Equity mutual funds	803,310	803,310	-	-
Common stocks	831,482	831,482	-	-
Beneficial interest in perpetual trusts	1,260,811	-	-	1,260,811
	<u>\$ 4,096,080</u>	<u>\$ 2,707,985</u>	<u>\$ 127,284</u>	<u>\$ 1,260,811</u>

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

NOTES TO FINANCIAL STATEMENTS

Note 8. Fair Value Measurements (Continued)

	6/30/2018	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	\$ 1,501,907	\$ -	\$ 1,501,907	\$ -
Trading Securities				
U.S. Govt., municipal and Corporate bonds and notes				
Corporate and foreign bonds	126,453	126,453	-	-
Municipal bonds and notes	128,394	128,394	-	-
Taxable fixed income	10,029	10,029	-	-
Common stock and mutual funds				
Domestic equity mutual funds	195,873	195,873	-	-
International closed end funds	116,933	116,933	-	-
Closed-end equity mutual funds	493,891	493,891	-	-
Beneficial interest in perpetual trusts	1,274,387	-	-	1,274,387
	<u>\$ 3,847,867</u>	<u>\$ 1,071,573</u>	<u>\$ 1,501,907</u>	<u>\$ 1,274,387</u>

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

NOTES TO FINANCIAL STATEMENTS

Note 8. 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, 2019:

	Beneficial Interest in Perpetual Trusts
Balance, beginning of year	\$ 1,274,387
Purchases, sales, issuances and settlements (net)	52,201
Investment income distributed	<u>(65,777)</u>
Balance, end of year	<u>\$ 1,260,811</u>

Note 9. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of time restricted contributions and purpose restricted contributions at June 30 as follows:

	2019	2018
Future campaign	\$ 14,667	\$ 91,463
Sponsorship	5,500	5,500
Student Council	326	1,347
Summer Youth	519	591
Success By 6 programs	91,733	112,814
Taking it to the Streets	4,411	1,539
Women's Leadership Council	4,189	2,956
Carlisle Youth Initiative	450	-
Perpetual trusts held by third parties	1,260,811	1,274,387
Endowment Funds	<u>2,616,849</u>	<u>2,354,637</u>
	<u>\$ 3,999,455</u>	<u>\$ 3,845,234</u>

Net assets with donor restrictions 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 and the Civic Club of Carlisle Fund endowment. The Brenneman endowment is restricted to benefitting neglected children in the Village of Boiling Springs, the Borough of Carlisle and surrounding area. The Civic Club of Carlisle Fund endowment is restricted to benefitting various agencies located in Cumberland County.

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

NOTES TO FINANCIAL STATEMENTS

Note 10. Net Assets Board Designated

As of June 30, 2019, the Board has designated \$42,177, to be used for future capital improvements, and \$218,420, to be used as a quasi-endowment fund.

Note 11. Line-of-Credit

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, 2019.

Note 12. 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 2019. These amounts have been recorded as allocations payable at June 30, 2019.

The United Way received 15% of its annual support for the 2018-19 campaign through corporate and employee pledges from five major companies and individuals located in the greater Carlisle area at June 30, 2019. The United Way could experience a substantial reduction of annual support should severe economic conditions arise affecting this concentration.

Note 13. 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, 2019, the United Way had \$22,900, in uninsured bank balances.

Note 14. Rental Income

The United Way rented office and meeting space at the 145 South Hanover Street location to Hospice, which ended January 2019. 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 15. An Evening for the Children Gala

During the years ended June 30, 2019 and 2018, 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.

	2019	2018
Contributions	\$ 53,664	\$ 49,400
Expenses (direct donor benefit)		
Facility, food and beverage	17,211	16,635
Entertainment	-	500
	<u>17,211</u>	<u>17,135</u>
An Evening for the Children Gala - net	<u>\$ 36,453</u>	<u>\$ 32,265</u>

Note 16. Special Events - Net

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

The United Way of Carlisle & 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 & Cumberland County sold Dickinson College student and faculty donated items and yard sale spaces.

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

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

NOTES TO FINANCIAL STATEMENTS

Note 16. Special Events - Net (Continued)

The following is the related revenue and associated expenses:

	2019	2018
Glee competition ticket sales	\$ 26,769	\$ 25,347
U-Turn sales	17,966	18,216
100 year anniversary	16,628	-
Gross income	<u>61,363</u>	<u>43,563</u>
Glee competition expenses	3,035	3,225
U-Turn expenses	503	484
100 year anniversary	12,477	-
Total expenses	<u>16,015</u>	<u>3,709</u>
Special events - net	<u>\$ 45,348</u>	<u>\$ 39,854</u>

Note 17. 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 (UWWW). UWWW provides access to training, national radio and television spots and the NFL partnership and promotion. This 1% is underwritten by our 100% guarantee sponsors so that 100% of campaign dollars goes directly to fund programs.

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.

Note 18. 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.

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

NOTES TO FINANCIAL STATEMENTS

Note 19. 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 is responsible for processing the donor’s gift.

Note 20. Reclassification

Certain amounts in the 2018 consolidated financial statements have been reclassified to be consistent with the classifications in the 2019 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, 2019 (with comparative totals for 2018)**

ASSETS	United Way	Endowment	Eliminations	Consolidated
	2019	2018		2019
Current Assets				
Cash and cash equivalents	\$ 887,690	\$ -	\$ -	\$ 887,690
Pledges receivable, net of allowance for uncollectible pledges				
2019 \$36,517; 2018 \$29,315	206,083	-	-	206,083
Other receivables	26,148	-	-	26,148
Prepaid expenses	4,378	-	-	4,378
Total current assets	1,124,299	-	-	1,124,299
Property and Equipment				
Land	51,207	-	-	51,207
Building and improvements	504,953	-	-	504,953
Equipment and furniture	53,832	-	-	53,832
Less accumulated depreciation	(331,182)	-	-	(331,182)
	278,810	-	-	278,810
Other Assets				
Beneficial interest in split-interest agreements,				
Endowment Funds and Board Designated Investments	1,260,811	2,835,269	-	4,096,080
Total assets	\$ 2,663,920	\$ 2,835,269	\$ -	\$ 5,499,189
				\$ 5,340,865

LIABILITIES AND NET ASSETS	United Way		Consolidated	
	2018	2019	2018	2019
Current Liabilities				
Allocations payable	\$ 317,002	\$ 317,002	\$ -	\$ 325,000
Donor choice allocations payable	179,523	179,523	-	154,746
Accounts payable	17,027	17,027	-	14,786
Deferred revenue	160	160	-	910
Compensated absences	13,450	13,450	-	10,878
Payroll taxes and withholdings	5,218	5,218	-	6,926
Total current liabilities	532,380	532,380	-	513,246
Net Assets				
Without donor restrictions				
Undesignated	706,756	706,756	-	722,774
Board designated	42,177	218,420	-	260,597
Total without donor restrictions	748,933	925,176	-	983,371
With donor restrictions				
Total net assets	1,382,607	3,999,456	-	3,845,234
	2,131,540	4,966,809	-	4,827,619
Total liabilities and net assets	\$ 2,663,920	\$ 5,499,189	\$ -	\$ 5,340,865

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

**CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2019 (with comparative totals for 2018)**

	United Way		Total
	Without Donor Restrictions	With Donor Restrictions	
Public Support and Revenue			
Gross Campaign Results (2018/2019)	\$ 1,248,303	\$ -	\$ 1,248,303
Gross Campaign Results in prior year - released from restriction	91,463	(91,463)	-
(less donor designations)	(602,829)	-	(602,829)
Net Campaign Revenue (2018/2019)	736,937	(91,463)	645,474
Gross Campaign Results (2019/2020)	-	14,667	14,667
Special Events - net	45,348	-	45,348
An Evening for the Children Gala	53,664	-	53,664
Less: costs of direct benefit to donors	(17,211)	-	(17,211)
An Evening for the Children Gala-net	36,453	-	36,453
Other Contributions			
Endowment	-	-	-
Bequests	-	-	-
Corporate sponsorships	14,000	5,000	19,000
Student Council	-	-	-
Women's Leadership Council	-	2,553	2,553
Loss on liquidation of contributed investments	22	-	22
Collections over prior years' estimated receivables	(26,351)	-	(26,351)
In-kind contributions	16,005	-	16,005
Total other contributions	3,676	7,553	11,229
Designations from other United Ways	29,787	-	29,787
Service fee income	4,581	-	4,581
Grants	26,123	49,371	75,494
Investment Income			
Trust and Endowment Fund income	65,777	-	65,777
Interest income	15,260	-	15,260
Unrealized loss on investments	-	(13,575)	(13,575)
Total investment income	81,037	(13,575)	67,462
Rental income	6,850	-	6,850
Gain on sale of land	25,968	-	25,968
Miscellaneous income	843	-	843
Other net assets released from restrictions	179,438	(74,543)	104,895
Total revenue, gains and other support	1,177,041	(107,990)	1,069,051

(Continued)

Without Donor Restrictions	Endowment		Eliminations	Consolidated 2019	Total 2018
	With Donor Restrictions	Total			
\$ -	\$ -	\$ -	\$ -	\$ 1,248,303	\$ 1,332,225
-	-	-	-	-	-
-	-	-	-	(602,829)	(597,237)
-	-	-	-	645,474	734,988
-	-	-	-	14,667	91,463
-	-	-	-	45,348	39,854
-	-	-	-	53,664	49,400
-	-	-	-	(17,211)	(17,135)
-	-	-	-	36,453	32,265
-	212,784	212,784	-	212,784	8,169
-	-	-	-	-	-
-	-	-	-	19,000	19,290
-	-	-	-	-	1,000
-	-	-	-	2,553	1,940
-	-	-	-	22	46
-	-	-	-	(26,351)	(371)
-	-	-	-	16,005	20,863
-	212,784	212,784	-	224,013	50,937
-	-	-	-	29,787	29,316
-	-	-	-	4,581	3,346
-	-	-	-	75,494	113,495
10,586	170,133	180,719	-	246,496	417,825
-	-	-	-	15,260	6,555
(1,432)	(25,390)	(26,822)	-	(40,397)	(46,486)
9,154	144,743	153,897	-	221,359	377,894
-	-	-	-	6,850	11,700
-	-	-	-	25,968	-
(9,580)	(95,315)	(104,895)	-	843	1,080
(426)	262,212	261,786	-	1,330,837	1,486,338

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

**CONSOLIDATING STATEMENT OF ACTIVITIES (Continued)
Year Ended June 30, 2019 (with comparative totals for 2018)**

	United Way		Total
	Without Donor Restrictions	With Donor Restrictions	
Allocations and Expenses			
Program Services			
Gross funds allocated/distributed:			
2018 campaign	1,287,286	-	1,287,286
Omit an agency	966	-	966
Total gross funds allocated/distributed	1,288,252	-	1,288,252
(less donor designations)	(602,829)	-	(602,829)
Net Funds allocated/distributed	685,423	-	685,423
Community Impact/Member Agency Relations	144,086	-	144,086
Success By 6	120,061	-	120,061
Total Program Services	949,570	-	949,570
Supporting Services			
Management and general	164,631	-	164,631
Fundraising	77,446	-	77,446
Total supporting services	242,077	-	242,077
Total allocations and expenses	1,191,647	-	1,191,647
Changes in net assets	(14,606)	(107,990)	(122,596)
Net Assets:			
Beginning	763,539	1,490,597	2,254,136
Ending	\$ 748,933	\$ 1,382,607	\$ 2,131,540

Without Donor Restrictions	Endowment		Eliminations	Total 2019	Total 2018
	With Donor Restrictions	Total			
-	-	-	-	1,287,286	1,296,475
-	-	-	-	966	2,221
-	-	-	-	1,288,252	1,298,696
-	-	-	-	(602,829)	(597,237)
-	-	-	-	685,423	701,459
-	-	-	-	144,086	170,533
-	-	-	-	120,061	128,011
-	-	-	-	949,570	1,000,003
-	-	-	-	164,631	156,443
-	-	-	-	77,446	77,840
-	-	-	-	242,077	234,283
-	-	-	-	1,191,647	1,234,286
(426)	262,212	261,786	-	139,190	252,052
218,846	2,354,637	2,573,483	-	4,827,619	4,575,567
\$ 218,420	\$ 2,616,849	\$ 2,835,269	\$ -	\$ 4,966,809	\$ 4,827,619

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

CONSOLIDATING STATEMENT OF CASH FLOWS
 Year Ended June 30, 2019 (with comparative totals for 2018)

	United Way	Endowment	Total 2019	2018
Cash Flows From Operating Activities				
Changes in net assets	\$ (122,596)	\$ 261,786	\$ 139,190	\$ 252,052
Adjustments to reconcile changes in net assets to net cash used in operating activities				
Depreciation	11,614	-	11,614	12,207
Gain on sale of land	(25,968)	-	(25,968)	-
Gain on sale of contributed stock donated	(22)	-	(22)	-
Net realized and unrealized (gain) loss on investments	-	(63,987)	(63,987)	(153,966)
Permanently restricted contributions received	-	(212,784)	(212,784)	(8,169)
Decrease (increase) in value of and split-interest agreements	13,575	-	13,575	(85,566)
Changes in assets and liabilities:				
(Increase) decrease in:				
Pledges receivable	45,460	-	45,460	9,565
Other receivable	(22,835)	-	(22,835)	554
Prepaid expenses	10,451	-	10,451	(5,332)
(Decrease) increase in:				
Allocations payable	16,779	-	16,779	(7,554)
Accounts payable	2,241	-	2,241	(14,116)
Deferred revenue	(750)	-	(750)	(750)
Accrued expenses	864	-	864	49
Net cash used in operating activities	(71,187)	(14,985)	(86,172)	(1,026)
Cash Flows From Investing Activities				
Proceeds from sale of land	30,000	-	30,000	-
Purchase of investments	-	(212,784)	(212,784)	(8,169)
Proceeds from sale of investments	-	15,006	15,006	3,572,268
Purchases of property and equipment	(4,368)	-	(4,368)	(3,545,748)
Net cash (used in) provided by investing activities	(4,368)	(197,778)	(172,146)	18,351
Cash Flows From Financing Activities				
Permanently restricted contributions received	-	212,784	212,784	8,169
Net (decrease) increase in cash and cash equivalents	(75,555)	21	(45,534)	25,494
Cash and Cash Equivalents:				
Beginning	(2,611,429)	3,544,653	933,224	907,730
Ending	\$ (2,686,984)	\$ 3,544,674	\$ 887,690	\$ 933,224

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

**ANNUAL REPORT PRESENTATION
Year Ended June 30, 2019**

Revenue - Campaign	
2018 Campaign Pledges (including donor choice)	\$ 1,460,694
Less provision for doubtful accounts	(36,517)
Less designations to United Way programs	(54,624)
Net Campaign Income	<u>1,369,553</u>
Revenue - Other	
Special Events - Net	45,348
An Evening for the Children Net of direct benefit to donors	36,453
Corporate sponsorships	14,000
Collections from prior years' estimated receivables	(26,351)
Loss on liquidation of contributed investments	22
In-kind contributions	16,005
Service fee income	4,581
Investment income	185,932
Rental income	6,850
Success by 6	88,625
Grants and sponsorships released from restriction	12,041
Other revenue	26,811
Total Other Revenue	<u>410,317</u>
Total Revenue	<u>\$ 1,779,870</u>
Allocations, Expenses and Change in Unrestricted Net Assets	
Allocations:	
Agency Allocations	\$ 635,769
Donor Choice	602,829
Summer Youth Camp Scholarships (An Evening for the Children Proceeds)	35,750
Brennaman Trust	5,543
Heating Assistance	5,861
Student Leadership Council Distributions	1,000
Money in Your Pocket	1,500
Total Allocations	<u>1,288,252</u>
Program Services:	
Community Impact/Member Agency Relations	144,086
Pre-Kindergarten Scholarships	69,740
Success by 6	50,321
Total Program Services	<u>264,147</u>
Supporting Services:	
Management and General	164,631
Fundraising	77,446
Total Supporting Services	<u>242,077</u>
Increase in restricted Net Assets (Fund Balance)	<u>(14,606)</u>
Total Allocations, Expenses & Change in Unrestricted Net Assets	<u>\$ 1,779,870</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

2018 Campaign Revenue (Net)	\$ 1,248,303
Release from restriction	91,463
Designations from other United Ways	29,787
Net Campaign Income	<u>1,369,553</u>
Provision for doubtful accounts	36,517
Designations to United Way Programs	<u>54,624</u>
2018 Campaign Pledges	<u><u>\$ 1,460,694</u></u>