United Way of Genesee County

Financial Report
with Supplemental Information
June 30, 2018

Contents

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Independent Auditor's Report

To the Board of Trustees
United Way of Genesee County

We have audited the accompanying financial statements of United Way of Genesee County (the "Organization"), which comprise the statement of financial position as of June 30, 2018 and 2017 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Genesee County as of June 30, 2018 and 2017 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

October 31, 2018

Statement of Financial Position

June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 2,362,466	$ 2,692,575
Investments (Note 3)	2,329,123	2,212,035
Accounts receivable - Net:		
Trade accounts receivable	2,069	157,153
Grants receivable	287,052	5,000
Total accounts receivable - Net	289,121	162,153
Pledges receivable - Annual campaign - Net	1,347,796	1,127,756
Prepaid expenses	49,260	31,034
Beneficial interest in trusts held by third party (Note 4)	663,104	655,567
Property and equipment - Net (Note 6)	45,657	81,741
Total assets	**$ 7,086,527**	**$ 6,962,861**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 73,441	$ 402,358
Agency liabilities	15,776	22,731
Designation payable	92,712	175,097
Accrued compensation	49,748	52,642
Postretirement benefit obligations (Note 7)	1,125,354	1,269,016
Total liabilities	1,357,031	1,921,844
Net Assets		
Unrestricted:		
Undesignated	1,701,857	1,694,138
Board designated (Note 8)	800,000	800,000
Temporarily restricted (Note 8)	2,564,535	1,891,312
Permanently restricted (Note 8)	663,104	655,567
Total net assets	5,729,496	5,041,017
Total liabilities and net assets	**$ 7,086,527**	**$ 6,962,861**

See notes to financial statements.

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2018 and 2017

	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support								
Contributions	$ -	$ 2,172,025	$ -	$ 2,172,025	$ -	$ 2,671,495	$ -	$ 2,671,495
Less provision for uncollectible pledges	-	(14,595)	-	(14,595)	-	(87,686)	-	(87,686)
Less donor designations	-	(120,100)	-	(120,100)	-	(213,515)	-	(213,515)
Net campaign results	-	2,037,330	-	2,037,330	-	2,370,294	-	2,370,294
Contributions and foundation grants	3,738,744	732,653	-	4,471,397	1,069,790	2,671,071	-	3,740,861
In-kind revenue	277,737	-	-	277,737	374,516	-	-	374,516
Designations from other United Ways	211,013	-	-	211,013	57,292	-	-	57,292
Special event revenue - Net:								
Gross revenue	100,206	-	-	100,206	54,308	-	-	54,308
Direct benefit to donor costs	(96,059)	-	-	(96,059)	(40,779)	-	-	(40,779)
Service fees	97,480	-	-	97,480	91,845	-	-	91,845
Net realized and unrealized gain on investments	97,901	-	-	97,901	143,349	-	-	143,349
Investment income	131,770	-	-	131,770	81,090	-	-	81,090
Change in value of trusts held by third party	-	-	7,537	7,537	-	-	43,562	43,562
Miscellaneous income	38,998	-	-	38,998	76,081	-	-	76,081
Total revenue and support	4,597,790	2,769,983	7,537	7,375,310	1,907,492	5,041,365	43,562	6,992,419
Net Assets Released from Restrictions	2,096,760	(2,096,760)	-	-	6,037,836	(6,037,836)	-	-
Total revenue, support, and net assets released from restrictions	6,694,550	673,223	7,537	7,375,310	7,945,328	(996,471)	43,562	6,992,419
Expenses:								
Program expenses:								
Gross funds awarded	1,325,321	-	-	1,325,321	1,522,240	-	-	1,522,240
Less donor designations	(120,100)	-	-	(120,100)	(213,515)	-	-	(213,515)
Net funds awarded	1,205,221	-	-	1,205,221	1,308,725	-	-	1,308,725
Community services	3,937,659	-	-	3,937,659	5,178,470	-	-	5,178,470
Labor	173,308	-	-	173,308	302,080	-	-	302,080
Community impact	336,236	-	-	336,236	492,542	-	-	492,542
Total program services	5,652,424	-	-	5,652,424	7,281,817	-	-	7,281,817
Support services:								
Management and general	403,483	-	-	403,483	870,792	-	-	870,792
Fundraising	894,203	-	-	894,203	1,015,362	-	-	1,015,362
Total expenses	6,950,110	-	-	6,950,110	9,167,971	-	-	9,167,971
Increase (Decrease) in Net Assets - Before other changes to net assets	(255,560)	673,223	7,537	425,200	(1,222,643)	(996,471)	43,562	(2,175,552)

See notes to financial statements.

Statement of Activities and Changes in Net Assets (Continued)

Years Ended June 30, 2018 and 2017

	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Other Items								
Benefit-related changes other than net periodic retiree benefit costs	$ 312,324	$ -	$ -	$ 312,324	$ 202,463	$ -	$ -	$ 202,463
Payments to national organization	(49,045)	-	-	(49,045)	(38,937)	-	-	(38,937)
Increase (Decrease) in Net Assets	7,719	673,223	7,537	688,479	(1,059,117)	(996,471)	43,562	(2,012,026)
Net Assets - Beginning of year	2,494,138	1,891,312	655,567	5,041,017	3,553,255	2,887,783	612,005	7,053,043
Net Assets - End of year	**$ 2,501,857**	**$ 2,564,535**	**$ 663,104**	**$ 5,729,496**	**$ 2,494,138**	**$ 1,891,312**	**$ 655,567**	**$ 5,041,017**

Statement of Functional Expenses

Year Ended June 30, 2018

	Program Services					Support Services			
	Funds Awarded	Community Services	Labor	Community Impact	Total	Management and General	Fundraising	Total	Grand Total
Salaries	$ -	$ 559,310	$ 64,051	$ 196,785	$ 820,146	$ 177,843	$ 256,170	$ 434,013	$ 1,254,159
Employee benefits	-	165,139	57,218	71,190	293,547	92,786	118,134	210,920	504,467
Payroll taxes	-	43,395	4,791	13,754	61,940	13,506	19,853	33,359	95,299
Total salaries and related expenses	-	767,844	126,060	281,729	1,175,633	284,135	394,157	678,292	1,853,925
Net funds awarded	1,205,221	-	-	-	1,205,221	-	-	-	1,205,221
Contract and professional fees	-	864,865	4,887	7,788	877,540	31,714	66,149	97,863	975,403
Supplies	-	108,512	1,605	2,147	112,264	4,678	311,733	316,411	428,675
Occupancy	-	28,208	11,817	17,368	57,393	14,515	22,131	36,646	94,039
Telephone	-	13,894	2,615	2,576	19,085	4,024	5,071	9,095	28,180
Postage and shipping	-	2,122	936	1,390	4,448	1,374	1,613	2,987	7,435
Insurance	-	5,764	1,781	2,617	10,162	2,106	3,128	5,234	15,396
Printing and publications	-	(275)	173	-	(102)	-	11,954	11,954	11,852
Mileage payments and auto expense	-	29,882	7,395	787	38,064	909	8,302	9,211	47,275
Conferences, meetings, and travel	-	49,286	2,294	582	52,162	7,495	15,942	23,437	75,599
Subscriptions and dues	-	66,108	37	384	66,529	2,748	20,182	22,930	89,459
Equipment rental and maintenance	-	67,052	7,379	9,775	84,206	14,426	17,500	31,926	116,132
Utilities	-	3,074	655	963	4,692	909	1,939	2,848	7,540
Miscellaneous	-	91,269	567	624	92,460	21,802	5,430	27,232	119,692
Depreciation	-	3,850	5,107	7,506	16,463	12,648	8,972	21,620	38,083
Foundation grant expense	-	1,836,204	-	-	1,836,204	-	-	-	1,836,204
Total functional expenses	**$ 1,205,221**	**$ 3,937,659**	**$ 173,308**	**$ 336,236**	**$ 5,652,424**	**$ 403,483**	**$ 894,203**	**$ 1,297,686**	**$ 6,950,110**

See notes to financial statements.

United Way of Genesee County

Statement of Functional Expenses

Year Ended June 30, 2017

	Program Services					Support Services			
	Funds Awarded	Community Services	Labor	Community Impact	Total	Management and General	Fundraising	Total	Grand Total
Salaries	$ -	$ 430,478	$ 60,676	$ 177,005	$ 668,159	$ 182,905	$ 263,370	$ 446,275	$ 1,114,434
Employee benefits	-	184,841	200,125	252,271	637,237	443,662	401,288	844,950	1,482,187
Payroll taxes	-	34,504	5,197	13,529	53,230	12,025	20,927	32,952	86,182
Total salaries and related expenses	-	649,823	265,998	442,805	1,358,626	638,592	685,585	1,324,177	2,682,803
Net funds awarded	1,308,725	-	-	-	1,308,725	-	-	-	1,308,725
Contract and professional fees	-	1,154,037	4,878	8,154	1,167,069	125,522	96,305	221,827	1,388,896
Supplies	-	427,542	1,662	4,332	433,536	7,225	89,448	96,673	530,209
Occupancy	-	42,468	10,733	15,775	68,976	15,103	18,991	34,094	103,070
Telephone	-	10,876	1,854	1,923	14,653	2,726	4,040	6,766	21,419
Postage and shipping	-	1,656	718	1,054	3,428	942	1,339	2,281	5,709
Insurance	-	4,872	1,684	2,475	9,031	2,252	2,959	5,211	14,242
Printing and publications	-	1,213	114	92	1,419	273	18,979	19,252	20,671
Mileage payments and auto expense	-	28,195	3,139	717	32,051	2,293	7,851	10,144	42,195
Conferences, meetings, and travel	-	41,750	1,777	(48)	43,479	1,645	4,121	5,766	49,245
Subscriptions and dues	-	49,923	119	73	50,115	28,917	14,454	43,371	93,486
Equipment rental and maintenance	-	59,329	3,065	5,873	68,267	6,245	29,533	35,778	104,045
Utilities	-	10,074	1,612	2,370	14,056	2,156	2,833	4,989	19,045
Miscellaneous	-	44,219	407	599	45,225	26,204	30,583	56,787	102,012
Depreciation	-	2,503	4,320	6,348	13,171	10,697	8,341	19,038	32,209
Foundation grant expense	-	2,649,990	-	-	2,649,990	-	-	-	2,649,990
Total functional expenses	**$ 1,308,725**	**$ 5,178,470**	**$ 302,080**	**$ 492,542**	**$ 7,281,817**	**$ 870,792**	**$ 1,015,362**	**$ 1,886,154**	**$ 9,167,971**

Statement of Cash Flows

Years Ended June 30, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Increase (decrease) in net assets	$ 688,479	$ (2,012,026)
Adjustments to reconcile increase (decrease) in net assets to net cash and cash equivalents from operating activities:		
Depreciation	38,083	32,209
Bad debt expense	14,595	87,686
Change in postretirement benefit obligation	(143,662)	(39,706)
Realized and unrealized gain on investments	(97,901)	(143,349)
Change in value of trusts held by third party	(7,537)	(43,562)
Changes in operating assets and liabilities which used cash and cash equivalents:		
Accounts receivable	(126,968)	29,017
Pledges receivable - Annual campaign	(234,635)	(401,725)
Prepaid expenses	(18,226)	15,691
Accounts payable and agency liabilities	(335,872)	223,436
Designation payable	(82,385)	-
Accrued compensation	(2,894)	(20,089)
Net cash and cash equivalents used in operating activities	(308,923)	(2,272,418)
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,999)	(31,151)
Purchases of investments	(173,163)	(36,976)
Proceeds from sales and maturities of investments	153,976	-
Net cash and cash equivalents used in investing activities	(21,186)	(68,127)
Net Decrease in Cash and Cash Equivalents	(330,109)	(2,340,545)
Cash and Cash Equivalents - Beginning of year	2,692,575	5,033,120
Cash and Cash Equivalents - End of year	**$ 2,362,466**	**$ 2,692,575**
Supplemental Cash Flow Information - Noncash activities - Benefit-related changes other than net periodic retiree benefit costs	$ 312,324	$ 202,463

See notes to financial statements.

Note 1 - Nature of Business

United Way of Genesee County (the "Organization") is a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code whose purpose is to provide financial support for philanthropic, health and social, educational, and community organizations within Genesee County, Michigan through a public campaign for funds. The Organization's stated mission statement is threefold: uniting people, developing resources, and meeting community needs. The Organization is governed by a volunteer board of trustees.

Note 2 - Significant Accounting Policies

Flint Water Crisis

Contributions received and community services expenses decreased from fiscal year 2017 to 2018 due to the community's decreased response to the Flint Water Crisis during 2017 and 2018. Gross contributions related to the Flint Water Crisis totaled $633,450 and $636,132 and total expenditures were $664,271 and $1,665,048 for the years ended June 30, 2018 and 2017, respectively. Temporarily restricted net assets designated to the Flint Water Crisis at June 30, 2018 and 2017 totaled $59,790 and $90,610, respectively. United Way of Genesee County has not taken administrative fees out of any funds received for the Flint Water Crisis.

Cash Equivalents

The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments in debt and equity securities are recorded at fair value based on quoted market prices. Certificates of deposit are recorded at cost.

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Promises to Give

Unconditional intentions to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional intentions to give are recognized only when the conditions on which they depend are substantially met and the intentions become unconditional.

Pledges Receivable - Annual Campaign

Annual campaigns are conducted each year to raise support for allocation to participating agencies for the subsequent calendar year. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All pledges receivable are expected to be collected within 14 months after the beginning of scheduled payments.

A provision for uncollectible pledges relating to annual campaigns has been provided based on the prior year's experience and the expectations of management as to collectibility. The provision is computed on the gross pledges receivable, including donor designations. Campaign pledges prior to the 2016 campaign have been deemed wholly uncollectible and, therefore, written off. However, if any campaign pledges prior to the 2016 campaign year are collected, they will be recorded as income in the year received. The allowance was $118,144 and $127,750 for 2017 and 2018, respectively.

Note 2 - Significant Accounting Policies (Continued)

The Organization receives contributions from individuals and businesses mainly located in the Genesee County, Michigan geographic region. Corporate and employee gifts of General Motors Corporation account for 81 percent of the 2017 campaign pledges and 81 percent of the 2016 campaign pledges.

Accounts Receivable

Accounts receivable are stated at invoice cost. Account balances are reviewed regularly to determine whether delinquent accounts should be written off. The Organization has no allowance for doubtful accounts for financial reporting purposes. All accounts receivable are considered collectible.

The Organization participated in a multiemployer pension plan, which has been terminated, and the remaining amounts due are from participant organizations. The Organization has paid 100 percent of the required contributions for all member organizations. The amount that is billed to other participants is included in accounts receivable and amounted to $138,193 and $293,086 during the fiscal years ended June 30, 2018 and 2017, respectively. The allowance was $138,193 and $141,193 for 2018 and 2017, respectively.

Grants Receivable

Grants receivable include receivables for services rendered by the Organization in accordance with grant contracts and reimbursements that have not been received as of year end. Grants receivable also include contributions made to the Organization outside of the annual campaign, including corporate and foundation gifts. An allowance for doubtful accounts has not been established, as all grants receivable are deemed collectible. The balance at June 30, 2018 and 2017 was $287,052 and $5,000, respectively. The payments are expected to be received within one year.

Property and Equipment

Property and equipment are recorded at cost when purchased or at the fair value at the date of donation. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives, except for leasehold improvements, which are depreciated over the lesser of the estimated useful lives or the life of the lease. Costs of maintenance and repairs are charged to expense when incurred.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of property and equipment 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 property and equipment are reported as restricted support. Absent explicit donor stipulations about how long the property and equipment must be maintained, the Organization reports expirations of donor restrictions over time based on an estimate of the useful lives of the donated or acquired property and equipment.

Designation Payable

The Organization receives pledges from donors designating the resources to specified agencies. The Organization collects these resources and disburses the funds to the designated agencies. Designated pledges are excluded from contribution revenue and the related disbursements to specified agencies are excluded from allocations in the statement of activities and changes in net assets.

Classification of Net Assets

Net assets of the Organization are classified as unrestricted, temporarily restricted, or permanently restricted depending on the presence and characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

Note 2 - Significant Accounting Policies (Continued)

Donor-imposed restrictions that expire with the passage of time or that can be removed by meeting certain requirements result in temporarily restricted net assets. Permanently restricted net assets result from donor-imposed restrictions that limit the use of net assets in perpetuity. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Board-designated Net Assets

Board-designated net assets are unrestricted net assets designated by the board primarily for capital improvements. These designations are based on board actions, which can be altered or revoked at a future time by the board.

Contributions

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Contributions resulting from split-interest agreements, measured at the time the agreements are entered into, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipient(s) under the contract.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the same period as the gift are both reported as unrestricted support. Other restricted gifts are reported as restricted support and temporarily or permanently restricted net assets.

Unconditional promises to give and pledges receivable (annual campaign) with payments due in future periods are assumed to have an implicit time restriction. Those restrictions are released as contributions are collected or when allocations are made to recipient organizations based on those future collections.

Donated Services and Assets

The Organization receives volunteer services that are not recordable under accounting principles generally accepted in the United States of America. A number of volunteers have donated time to the Organization. The value of volunteer services is not disclosed, as no objective basis is available to measure the value of such services. Donated materials and services are recorded at the fair market value upon receipt. As of June 30, 2018 and 2017, approximately $277,737 and $374,516, respectively, of donated materials and services have been recognized by the Organization.

Functional Allocation of Expenses

The costs of providing program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Significant Accounting Policies (Continued)

Federal Income Taxes

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Michigan, the Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). There were no unrelated business activities in 2018 and 2017. Accordingly, no tax expense was incurred during the years ended June 30, 2018 and 2017.

Concentration of Credit Risk Arising for Deposit Accounts

The Organization maintains cash balances at several institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation or the United States Treasury temporary guarantee program in accordance with applicable program limits. At times, balances may exceed federally insured limits.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 31, 2018, which is the date the financial statements were available to be issued.

Upcoming Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Organization's year ending June 30, 2019. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The Organization has not yet determined which application method it will use. The Organization does not expect the new standard to significantly impact the amount or timing of revenue recognized; however there will be substantial new disclosures once the rules are adopted.

The Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending June 30, 2021 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The effects on the results of operations are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standards.

Note 2 - Significant Accounting Policies (Continued)

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU No. 2016-14 requires significant changes to the financial reporting model of organizations that follow FASB not-for-profit rules, including changing from three classes of net assets to two classes: net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Organization, including required disclosures about the liquidity and availability of resources. The new standard is effective for the Organization's year ending June 30, 2019 and thereafter and must be applied on a retrospective basis. The Organization has determined that the impact of the new standard on the financial statements will include the change in net asset descriptions and additional disclosures on liquidity and availability.

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The accounting guidance will result in more governmental contracts being accounted for as contributions and may delay revenue recognition for certain grants and contributions that no longer meet the definition of unconditional. The new guidance will be effective for the Organization's year ending June 30, 2020 and will be applied on a modified prospective basis. The Organization does not expect the standard to have a significant impact on the timing of revenue recognition for government grants and contracts, but has not yet determined the impact on the timing of recognition of foundation and individual grants and contributions.

Note 3 - Investments

The investment objective of the Organization is to first provide for a reasonable level of liquidity to meet cash flow needs and, secondarily, to provide for long-term growth of assets available for investment in conjunction with a balanced operating budget under a prudent investment strategy (up to 60 percent of assets to be allocated to professional money managers). The investment of assets is intended to be done in a prudent manner, based upon sound financial judgment, to minimize credit and inflationary risk, which could erode investment principle. The finance committee must approve exceptions to the policy.

Investments consist of the following:

	2018	2017
Certificates of deposit	$ 550,927	$ 546,986
Mutual funds - Equity (Note 12)	1,069,294	1,029,817
Mutual funds - Fixed income (Note 12)	703,273	630,178
Common stock (Note 12)	5,629	5,054
Total	$ 2,329,123	$ 2,212,035

Note 3 - Investments (Continued)

Interest and dividend income earned during the years ended June 30, 2018 and 2017 was $131,770 and $81,090, respectively.

Note 4 - Beneficial Interest in Trusts Held by Third Party

The Organization is the income beneficiary of various trusts held by financial institutions. Under the terms of the trust agreements, the Organization has the irrevocable right to receive a percentage of the income earned on trust assets in perpetuity; however, the Organization will never receive the assets held in the trusts. A permanently restricted asset has been recorded based on the present value of the estimated future cash receipts from the trusts' assets. The balance at June 30, 2018 and 2017 was $663,104 and $655,567, respectively. Annual distributions from the trusts are reported as investment income, which increases unrestricted net assets. Adjustments to the amount reported as an asset, based on an annual review using the same basis as was used to measure the asset initially, are recognized as a permanently restricted unrealized gain or loss.

Income distributions of $31,533 and $29,440 were received in 2018 and 2017, respectively.

Note 5 - Beneficial Interests Held by Third Party with Variance Power

The Organization has a beneficial interest in specific funds held by the Community Foundation of Greater Flint (the "Community Foundation"). Under the terms by which the Community Foundation has accepted the gift, the Organization can expect to receive distributions of income earned on these funds in perpetuity. The Organization will never receive the assets held by the Community Foundation. According to the terms of the gift, the income received from the beneficial interest can be used only for (1) responses to short-term crisis conditions impacting human survival among groups of people, (2) initial program startup to meet emerging new human needs, or (3) capital needs (e.g., land, buildings, and equipment).

These assets held by the Community Foundation are not recorded on the financial statements of the Organization, since the Community Foundation maintains variance power over the distributions of income from this gift and could legally redirect the income from the assets to a different income beneficiary. Because the Community Foundation maintains variance power, the Organization has no legal right to the annual income from the assets. While the Community Foundation has the legal right to change the beneficiary, the Organization's management does not expect such a change to occur and expects to continue to receive income distributions annually from the assets held at the Community Foundation.

The fair value of the investments held by the Community Foundation in funds whereby the Community Foundation has variance power at June 30, 2018 and 2017 totaled $731,090 and $705,667, respectively.

The Organization recognizes income annually for the income distributions received from the Community Foundation as change in value of trust held by third party. Revenue of $26,844 and $44,689 was recognized in 2018 and 2017, respectively.

Note 6 - Property and Equipment

Property and equipment are summarized as follows:

	2018	2017	Depreciable Life - Years
Computer equipment and software	$ 125,369	$ 123,369	3-5
Leasehold improvements	73,560	73,560	5-20
Total cost	198,929	196,929	
Accumulated depreciation	153,272	115,188	
Net property and equipment	$ 45,657	$ 81,741	

Depreciation expense for 2018 and 2017 was $38,083 and $32,209, respectively.

Note 7 - Other Postretirement Benefit Plan

The Organization has a plan that provides postretirement health benefits for certain individuals (the "Plan"). Employees are eligible if they retired on or after January 1, 1995 as a full-time employee. Eligible employees may receive benefits under the Plan after attaining the age of 60 as an active employee and after completing 10 or more years of service at the Organization and are not eligible for any other healthcare package, excluding Medicare. Benefits provided include hospital/medical benefits to the employee only and do not include the spouse or other dependents. The Organization funds the Plan in the year in which the benefits are paid.

Obligations and Funded Status

	Other Postretirement Benefits	
	2018	2017
Benefit obligation	$ 1,125,354	$ 1,269,016

Amounts recognized in the statement of financial position consist of the following:

	Other Postretirement Benefits	
	2018	2017
Beginning unfunded status	$ (1,269,016)	$ (1,308,722)
Service cost	(68,711)	(66,387)
Interest cost	(46,751)	(44,219)
Net actuarial loss (gain)	300,110	(23,538)
Benefits paid	38,263	45,326
Plan changes	-	187,690
Increase due to change in assumptions	(79,249)	(59,166)
Funded status	$ (1,125,354)	$ (1,269,016)

Amounts not yet recognized as components of net periodic benefit cost consist of the following:

	Other Postretirement Benefits	
	2018	2017
Net loss	$ 617,311	$ 366,054
Transition obligation (asset)	(258,848)	(323,560)
Total	$ 358,463	$ 42,494

Note 7 - Other Postretirement Benefit Plan (Continued)

In accordance with generally accepted accounting principles, the benefit obligation presented in the table above presents the accumulated benefit obligation for the postretirement benefits.

Components of net periodic benefit cost and other amounts recognized in other comprehensive income are as follows:

	Other Postretirement Benefits	
	2018	2017
Net Periodic Benefit Cost, Employer Contributions, and Benefits Paid		
Net periodic benefit cost	$ 168,662	$ 162,757
Employer contributions	38,263	45,326
Benefits paid	38,263	45,326
Other Changes in Plan Assets and Benefit Obligations Recognized		
Total recognized in benefit-related changes other than net periodic retiree cost - Net gain	312,324	202,463

Assumptions

Weighted-average assumptions used to determine benefit obligations at June 30 are as follows:

	Other Postretirement Benefits	
	2018	2017
Discount rate	4.00 %	3.50 %

Weighted-average assumptions used to determine net periodic benefit cost for the years ended June 30 are as follows:

	Other Postretirement Benefits	
	2018	2017
Discount rate	4.00 %	3.50 %

The overall expected rate of return on plan assets represents a weighted-average composite rate based on the historical rates of returns of the respective asset classes adjusted for anticipated market movements.

Assumed Healthcare Cost Trend Rates at June 30

	2018	2017
Healthcare cost trend rate assumed for next year (pre-65)	8.00 %	8.00 %
Healthcare cost trend rate assumed for next year (post-65)	5.00 %	5.00 %

Note 7 - Other Postretirement Benefit Plan (Continued)

Cash Flow - Estimated Future Benefit Payments

The following postemployment benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Years Ending	Other Postretirement Benefits
2019	$ 32,394
2020	33,976
2021	35,322
2022	29,847
2023	46,925
2024-2028	238,863

Note 8 - Net Assets

The Organization's net assets are categorized and reported as follows:

Unrestricted Net Assets

This portion of the Organization's net assets is available for general obligations and is not subject to any donor-imposed restrictions. Revenue earned from unrestricted contributions, unrestricted grants, building rental, investment income available for general operations, and all operating expenses is reported in this category. Unrestricted net assets of $800,000 have been designated as operating reserve for the years ended June 30, 2018 and 2017 based on the board resolutions.

Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted as follows:

	2018	2017
Purpose restricted:		
Flint Water Crisis	$ 59,790	$ 90,610
Don Burkes Memorial Bone Marrow	59,199	59,199
Ramp Program	37,407	30,681
Our Lady of Guadalupe	-	2,953
Flint Area Reinvestment Office	-	17,086
Berston Program	169,653	143,011
United Way as grantee	830,385	556,989
Flint Kids Play	153,017	38,124
Time restricted - General operations	1,255,084	952,659
Total temporarily restricted net assets	$ 2,564,535	$ 1,891,312

Permanently Restricted Net Assets

This portion of the Organization's net assets is limited by donor-imposed restrictions that require that the gift be maintained in perpetuity. Permanently restricted net assets as of June 30, 2018 and 2017 were $663,104 and $655,567, respectively, and consist of the beneficial interests held by third parties.

Note 9 - Governmental Campaigns

The Organization conducts a general fundraising campaign and also conducted consolidated campaigns for four different governmental entities within the Genesee County area. Details of the governmental campaigns conducted in 2018 and 2017 are as follows:

	2018	2017
Gross pledges	$ -	$ 75,269
Less amounts designated to specific agencies	-	(58,274)
Amounts received by the Organization	$ -	$ 16,995

The federal campaign was ended in 2017.

Note 10 - Defined Benefit Pension Plan

The Organization previously sponsored a noncontributory defined benefit pension plan covering substantially all of its employees. Several United Way agencies also participated in this plan. On June 17, 1992, the Organization adopted a motion that froze the plan as of September 1, 1992. At this date, all benefit accruals ceased to accrue, and all participants became 100 percent vested in their accrued benefits.

Plan assets were distributed by the trustee in accordance with the plan document and federal regulations. The plan trustee was JPMorgan Chase Bank, N.A. until January 1, 2015 when the trustee became FirstMerit Bank, N.A. During January 2012, the board of trustees elected to terminate the defined benefit pension plan pursuant to a standard termination in accordance with ERISA regulations. Effective October 1, 2015, the plan sponsor elected to terminate the plan. Liquidation of assets through distributions to participants occurred during January 2017.

Upon termination, the net assets of the plan were used first to pay expenses of administration and then to provide benefits to participants in accordance with Section 4044 of ERISA. Whether a particular participant's accumulated plan benefits were paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC) at that time. Some benefits were fully or partially provided for by the then-existing assets and the PBGC guarantee, while other benefits were not provided for at all.

The Organization's contributions to the plan were $0 for fiscal years 2018 and 2017. A comparison of the accumulated plan benefits and plan net assets, as of the most recent actuarial study available for the plan as a whole (January 1, 2016), was as follows:

Actuarial present value of accumulated plan benefits:

Vested	$ 1,764,463
Net assets available for benefits	1,638,096

The assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 8.5 percent.

Note 11 - Profit Sharing Plan and 401(k) Plan

On April 2, 2015, the United Way Employees Profit Sharing Plan, which was established on January 1, 1994, was rolled into the United Way of Genesee County 401(k) Plan. The plan was established to provide retirement benefits to employees after retirement at age 65 (normal retirement) or age 59½ (early retirement). The plan covers all employees of the Organization who are eligible under plan provisions.

With regard to the Profit Sharing Plan, employer contributions are discretionary and are determined each Withyear by management. Contributions made to the plan for the years ended June 30, 2018 and 2017 were $29,137 and $26,028, respectively.

Note 11 - Profit Sharing Plan and 401(k) Plan (Continued)

With regard to the 401(k) Plan, employer contributions for the 401(k) match are up to 3 percent each pay period and were $28,250 and $26,558 for the years ended June 30, 2018 and 2017, respectively.

Note 12 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Organization's assets measured at fair value on a recurring basis at June 30, 2018 and 2017 and the valuation techniques used by the Organization to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2018			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2018
Investments:				
Money market mutual funds	$ 192,675	$ -	$ -	$ 192,675
Equity securities - Corporate	5,629	-	-	5,629
Mutual funds - Domestic equity	862,647	-	-	862,647
Mutual funds - International equity	206,647	-	-	206,647
Mutual funds - Corporate fixed income	703,273	-	-	703,273
Total investments	1,970,871	-	-	1,970,871
Endowment investments - Trusts held by third party - Beneficial interest	-	-	663,104	663,104
Total assets	$ 1,970,871	$ -	$ 663,104	$ 2,633,975

Note 12 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2017			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2017
Investments:				
Money market mutual funds	$ 188,823	$ -	$ -	$ 188,823
Equity securities - Corporate	5,054	-	-	5,054
Mutual funds - Domestic equity	821,431	-	-	821,431
Mutual funds - International equity	208,386	-	-	208,386
Mutual funds - Corporate fixed income	630,178	-	-	630,178
Total investments	1,853,872	-	-	1,853,872
Endowment investments - Trusts held by third party - Beneficial interest	-	-	655,567	655,567
Total assets	$ 1,853,872	$ -	$ 655,567	$ 2,509,439

Investments per the statement of financial position include CDs of $550,927 and $546,986 for the years ended June 30, 2018 and 2017, respectively, which are not included above. Listed above are money market mutual funds of $192,675 and $188,823 for the years ended June 30, 2018 and 2017, respectively, which are not included in investments on the statement of financial position.

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended June 30, 2018 and 2017 are as follows:

	Beneficial Interests in Trusts Held by Third Party
Balance at July 1, 2017	$ 655,567
Total unrealized gains included in change in net assets	7,537
Balance at June 30, 2018	$ 663,104

	Investment Type A
Balance at July 1, 2016	$ 612,005
Total unrealized gains included in change in net assets	43,562
Balance at June 30, 2017	$ 655,567

Of the Level 3 assets still held by the Organization at June 30, 2018 and 2017, the unrealized gain was $7,537 and $43,562 respectively, which is recognized in the accompanying statement of activities and changes in net assets.

The fair value of beneficial interest in perpetual trusts at June 30, 2017 was determined primarily based on Level 3 inputs. The Organization estimates the fair value of these investments in beneficial trusts based on the fair value of the assets in the trust unless the facts and circumstances indicate the fair value would be different from the present value of estimated future distributions.

Note 12 - Fair Value Measurements (Continued)

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains and losses for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

Note 13 - Subsequent Events

Subsequent to year end, the board of trustees approved program allocations (amounts payable to local agencies) of $1,034,000. These allocations will be paid during the fiscal year ending June 30, 2019.

Supplemental Information

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Independent Auditor's Report on Supplemental Information

To the Board of Trustees
United Way of Genesee County

We have audited the financial statements of United Way of Genesee County (the "Organization") as of and for the years ended June 30, 2018 and 2017 and have issued our report thereon dated October 31, 2018, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of initial and final pledge campaign uncollectible reserves 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 of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

October 31, 2018

Schedule Initial and Final Pledge Campaign Uncollectible Reserves
2012 Through 2016 Pledge Campaigns

				Initial Uncollectible Reserve Established		Final Uncollectible Reserve Realized	
Pledge Campaign Year	Agency Fiscal Year	Percentage of Campaign Collected as of Fiscal Year End	Total Campaign Pledges	Dollar Amount	Percent of Campaign	Dollar Amount	Percent of Campaign
2012	2013	66.16%	$ 2,640,603	$ 158,436	6.00%	$ 132,217	5.01%
2013	2014	59.53	2,339,306	140,358	6.00	145,789	6.23
2014	2015	60.55	2,399,628	143,978	6.00	136,476	5.69
2015	2016	46.48	1,787,468	143,614	8.00	116,939	6.54
2016	2017	45.74	2,259,065	112,953	5.00	1,205	0.01