



Financial Statements  
June 30, 2018 and 2017

# United Way of Spokane County

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Financial Statements

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## Independent Auditor's Report

Board of Directors  
United Way of Spokane County  
Spokane, Washington

### Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Spokane County, a non-profit organization, which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

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

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 14 and 15 is presented for the purposes 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.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Spokane, Washington  
November 21, 2018

United Way of Spokane County  
 Statements of Financial Position  
 June 30, 2018 and 2017

|   | 2018         | 2017         |
|---|--------------|--------------|
| <b>Assets</b>   |              |              |
| Cash and cash equivalents   | \$ 1,605,787 | \$ 1,459,091 |
| Promises to give, net of allowance for uncollectible promises<br>to give of \$166,061 in 2018 and \$174,145 in 2017 | 1,118,422    | 1,359,169    |
| Other receivables   | 12,278       | 17,916       |
| Prepaid expenses and other assets   | 67,815       | 78,884       |
| Property and equipment, net   | 27,111       | 45,571       |
| Beneficial interest in assets held by Innovia Foundation  | 339,008      | 330,198      |
| Total assets  | \$ 3,170,421 | \$ 3,290,829 |
| <b>Liabilities and Net Assets</b>   |              |              |
| Accounts payable  | \$ 34,643    | \$ 18,845    |
| Accrued expenses  | 64,951       | 85,348       |
| Designation payable   | 202,130      | 385,961      |
| Total liabilities   | 301,724      | 490,154      |
| <b>Net Assets</b>   |              |              |
| Unrestricted  |              |              |
| Undesignated  | 1,019,707    | 748,573      |
| Board-designated investment   | 339,008      | 330,198      |
|   | 1,358,715    | 1,078,771    |
| Temporarily restricted  |              |              |
| Due to timing restrictions: promises to give less designations  | 916,292      | 973,208      |
| Due to purpose restrictions   | 593,690      | 748,696      |
|   | 1,509,982    | 1,721,904    |
| Total net assets  | 2,868,697    | 2,800,675    |
| Total liabilities and net assets  | \$ 3,170,421 | \$ 3,290,829 |

United Way of Spokane County  
Statements of Activities  
Years Ended June 30, 2018 and 2017

|   | 2018                |                           |                     | 2017                |                           |                     |
|---|---------------------|---------------------------|---------------------|---------------------|---------------------------|---------------------|
|   | Unrestricted        | Temporarily<br>Restricted | Total               | Unrestricted        | Temporarily<br>Restricted | Total               |
| Revenue, Support, and Gains   |                     |                           |                     |                     |                           |                     |
| Campaign results, net   | \$ -                | \$ 3,351,888              | \$ 3,351,888        | \$ -                | \$ 3,739,253              | \$ 3,739,253        |
| Less donor designations   | -                   | (790,029)                 | (790,029)           | -                   | (1,056,295)               | (1,056,295)         |
| Net campaign revenue  | -                   | 2,561,859                 | 2,561,859           | -                   | 2,682,958                 | 2,682,958           |
| Grants and contracts  | 70,692              | 190,000                   | 260,692             | 23,495              | 888,407                   | 911,902             |
| Noncampaign support   | 77,720              | 44,896                    | 122,616             | 59,646              | 115,615                   | 175,261             |
| Change in value of beneficial interests in assets<br>held by Innovia Foundation | 22,469              | -                         | 22,469              | 34,580              | -                         | 34,580              |
| Service fees  | 48,901              | -                         | 48,901              | 55,794              | -                         | 55,794              |
| Net investment return   | 1,932               | -                         | 1,932               | 143                 | -                         | 143                 |
| Net assets released from restrictions   | 3,008,677           | (3,008,677)               | -                   | 2,905,004           | (2,905,004)               | -                   |
| Total revenue, support, and gains   | <u>3,230,391</u>    | <u>(211,922)</u>          | <u>3,018,469</u>    | <u>3,078,662</u>    | <u>781,976</u>            | <u>3,860,638</u>    |
| Expenses  |                     |                           |                     |                     |                           |                     |
| Program services expense  |                     |                           |                     |                     |                           |                     |
| Gross funds awarded/distributed   | 2,122,996           | -                         | 2,122,996           | 2,399,512           | -                         | 2,399,512           |
| Less donor designations   | (790,029)           | -                         | (790,029)           | (1,056,295)         | -                         | (1,056,295)         |
| Net funds awarded/distributed   | 1,332,967           | -                         | 1,332,967           | 1,343,217           | -                         | 1,343,217           |
| Other program services  | 787,022             | -                         | 787,022             | 746,556             | -                         | 746,556             |
| Total program services expense  | <u>2,119,989</u>    | <u>-</u>                  | <u>2,119,989</u>    | <u>2,089,773</u>    | <u>-</u>                  | <u>2,089,773</u>    |
| Supporting services expense   |                     |                           |                     |                     |                           |                     |
| General   | 465,896             | -                         | 465,896             | 496,260             | -                         | 496,260             |
| Fundraising   | 364,562             | -                         | 364,562             | 476,109             | -                         | 476,109             |
| Total supporting services expense   | <u>830,458</u>      | <u>-</u>                  | <u>830,458</u>      | <u>972,369</u>      | <u>-</u>                  | <u>972,369</u>      |
| Total expenses  | <u>2,950,447</u>    | <u>-</u>                  | <u>2,950,447</u>    | <u>3,062,142</u>    | <u>-</u>                  | <u>3,062,142</u>    |
| Change in Net Assets  | 279,944             | (211,922)                 | 68,022              | 16,520              | 781,976                   | 798,496             |
| Net Assets, Beginning of Year   | <u>1,078,771</u>    | <u>1,721,904</u>          | <u>2,800,675</u>    | <u>1,062,251</u>    | <u>939,928</u>            | <u>2,002,179</u>    |
| Net Assets, End of Year   | <u>\$ 1,358,715</u> | <u>\$ 1,509,982</u>       | <u>\$ 2,868,697</u> | <u>\$ 1,078,771</u> | <u>\$ 1,721,904</u>       | <u>\$ 2,800,675</u> |

See Notes to Financial Statements

United Way of Spokane County  
Statements of Functional Expenses  
Years Ended June 30, 2018 and 2017

|  | 2018             |                     |             |              | 2017             |                     |             |              |
|--|------------------|---------------------|-------------|--------------|------------------|---------------------|-------------|--------------|
|  | Program Services | Supporting Services |             | Total        | Program Services | Supporting Services |             | Total        |
|  |                  | General             | Fundraising |              |                  | General             | Fundraising |              |
| Salaries                               | \$ 456,939       | \$ 212,987          | \$ 153,983  | \$ 823,909   | \$ 377,603       | \$ 240,573          | \$ 257,281  | \$ 875,457   |
| Employee benefits                      | 80,361           | 37,493              | 47,980      | 165,834      | 89,429           | 46,184              | 53,830      | 189,443      |
| Payroll taxes                          | 31,678           | 14,781              | 18,915      | 65,374       | 33,491           | 17,296              | 20,159      | 70,946       |
| Total salaries and related expenses    | 568,978          | 265,261             | 220,878     | 1,055,117    | 500,523          | 304,053             | 331,270     | 1,135,846    |
| Grants and other assistance            | 1,332,967        | -                   | -           | 1,332,967    | 1,343,217        | -                   | -           | 1,343,217    |
| Fees for services                      | 27,967           | 20,065              | 1,984       | 50,016       | 33,866           | 18,838              | 4,916       | 57,620       |
| Audit fees                             | -                | 12,750              | 1,810       | 14,560       | -                | 13,250              | -           | 13,250       |
| Information services                   | 22,450           | 10,414              | 13,406      | 46,270       | 21,825           | 11,258              | 14,322      | 47,405       |
| Office expenses                        | 32,295           | 9,250               | 25,784      | 67,329       | 58,539           | 8,842               | 24,424      | 91,805       |
| Printing, publication, and advertising | 9,518            | 29,064              | 22,893      | 61,475       | 15,882           | 26,168              | 21,949      | 63,999       |
| Occupancy                              | 52,758           | 24,615              | 31,500      | 108,873      | 60,829           | 22,065              | 25,718      | 108,612      |
| Conferences, conventions, and meetings | 13,888           | 7,243               | 36,178      | 57,309       | 19,482           | 10,312              | 36,877      | 66,671       |
| Travel                                 | 8,594            | 11,488              | 4,753       | 24,835       | 20,910           | 7,461               | 8,812       | 37,183       |
| Insurance                              | -                | 5,369               | -           | 5,369        | -                | 5,211               | -           | 5,211        |
| United Way dues                        | -                | 52,413              | -           | 52,413       | -                | 50,191              | -           | 50,191       |
| Other                                  | 47,883           | 4,654               | 2,917       | 55,454       | 4,549            | 9,543               | 872         | 14,964       |
| Depreciation                           | 2,691            | 13,310              | 2,459       | 18,460       | 10,151           | 9,068               | 6,949       | 26,168       |
| Total expenses                         | \$ 2,119,989     | \$ 465,896          | \$ 364,562  | \$ 2,950,447 | \$ 2,089,773     | \$ 496,260          | \$ 476,109  | \$ 3,062,142 |

United Way of Spokane County  
 Statements of Cash Flows  
 Years Ended June 30, 2018 and 2017

|   | 2018         | 2017         |
|---|--------------|--------------|
| Operating Activities  |              |              |
| Change in net assets  | \$ 68,022    | \$ 798,496   |
| Adjustments to reconcile change in net assets to net cash from operating activities |              |              |
| Depreciation  | 18,460       | 26,168       |
| Change in value of beneficial interests in assets held<br>Innovia Foundation        | (22,469)     | (34,580)     |
| Changes in operating assets and liabilities   |              |              |
| Promises to give, net   | 240,747      | (69,429)     |
| Other receivables   | 5,638        | 32,700       |
| Prepaid expenses and other assets   | 11,069       | (9,738)      |
| Accounts payable  | 15,798       | 6,739        |
| Accrued expenses  | (20,397)     | (3,395)      |
| Designation payable   | (183,831)    | (47,148)     |
| Net Cash from Operating Activities  | 133,037      | 699,813      |
| Investing Activities  |              |              |
| Net withdrawal from assets held by Innovia Foundation                               | 13,659       | 11,563       |
| Purchase of property and equipment  | -            | (22,048)     |
| Net Cash from (used for) Investing Activities                                       | 13,659       | (10,485)     |
| Net Change in Cash and Cash Equivalents   | 146,696      | 689,328      |
| Cash and Cash Equivalents, Beginning of Year  | 1,459,091    | 769,763      |
| Cash and Cash Equivalents, End of Year  | \$ 1,605,787 | \$ 1,459,091 |



## **Note 1 - Principal Activity and Significant Accounting Policies**

### **Organization**

United Way of Spokane County (the Organization) is a non-profit organization serving the Spokane community, which brings together expertise, funding, and volunteer support to positively impact education, income, and health. The Organization works to create long term change and better life conditions for everyone in the community.

### **Cash and Cash Equivalents**

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

### **Promises to Give**

The Organization records unconditional promises to give expected to be collected within one year at net realizable value. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. There are no promises to give due in more than one year as of June 30, 2018 and 2017.

The Organization collects promises to give on behalf of other United Ways, and remits those funds to the applicable location when received. Promises to give intended for other United Ways totaled \$20,004 and \$21,158 at June 30, 2018 and 2017, respectively.

### **Property and Equipment**

The Organization records property and equipment additions over \$2,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to ten years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. The Organization has determined that there were no long-lived asset impairments during the years ended June 30, 2018 and 2017.

### **Investments**

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less management fees.

### **Beneficial Interest in Assets Held by Innovia Foundation**

The Organization has established an endowment fund (the Fund) at Innovia Foundation (Innovia) and named itself beneficiary. Under the agreement, if in the opinion of the Board of Trustees of Innovia distributions from the Fund become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by Innovia, the income from the Fund can be disbursed for the benefit of the Organization's member agencies if possible and practicable, as directed by the Trustees of Innovia. The Fund is held and invested by Innovia for the benefit of the Organization, and is reported at fair value in the statement of financial position, with changes in fair value recognized in the statement of activities. The Organization has access annually to the earnings of the fund and may request and receive additional distributions only with Board approval of both the Organization and Innovia.

The Organization has an additional interest in certain funds at Innovia that exist for the benefit of the Organization. These funds are not included in these financial statements. The fair market value of this fund as of June 30, 2018 and 2017 was \$469,393 and \$461,735, respectively. Amounts received by the Organization from Innovia relating to these funds are included in non-campaign support on the statements of activities in the amount of \$15,460 and \$17,944 for the years ended June 30, 2018 and 2017, respectively.

### **Net Assets**

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Unrestricted Net Assets* – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors to be held for investment at INCF.

*Temporarily Restricted Net Assets* – Net assets subject to donor restrictions that may or will be met by expenditures or the Organization's actions and/or the passage of time.

The Organization reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

*Permanently Restricted Net Assets* – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Organization's actions. There are no permanently restricted net assets as of June 30, 2018 and 2017.

### **Revenue and Revenue Recognition**

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Campaign results are reported net of write-offs of promises to give on the statements of activities.

Annual campaigns are conducted in part to raise support for grants to partner agencies in the following year. The campaigns generally run from September to December, with resulting promises to give due within and collected over the following calendar year. Donors may designate their gifts to any Internal Revenue Code 501(c)(3) nonprofit organization. These designations are paid to agencies after verification of Internal Revenue Code 501(c)(3) status. The Organization partner agencies receive their grant payments plus donor designations.

*Combined Federal Campaign (CFC) and Washington State Combined Fund Drive (CFD)* – The Organization, along with various other organizations, share in the proceeds of a combined federal campaign and combined state campaign, whose income is attributable to contributions by federal and state employees. The designations by donors determine the allocation of these funds to the participating agencies following the fall campaign. The Organization distributes the funds based upon these allocations. The promises to give raised by the combined federal campaign are included in income of the Organization in the amounts of \$1,777 and \$260,712 for the years ended June 30, 2018 and 2017, respectively. The promises to give raised by the combined state campaign are included in income of the Organization in the amounts of \$5,346 and \$3,144 for the years ended June 30, 2018 and 2017, respectively.

### **Donor Designations**

Significant contributions are received which are designated by the donor for the benefit of outside agencies. These funds are collected by the Organization and remitted to the appropriate agency. Net campaign revenue and net funds awarded/distributed on the statements of activities are reported net of donor designations.

### **Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. For the year ended June 30, 2018, 673 volunteers donated 8,843 hours of service toward the Organization's program services and in its fundraising campaign. For the year ended June 30, 2017, 673 volunteers donated 10,006 hours of service toward the Organization's program services and in its fundraising campaign. Contributed goods are recorded at fair value at the date of donation. No significant contributions of goods were received during the years ended June 30, 2018 and 2017.

### **Advertising and Marketing Costs**

Advertising and marketing costs are expensed as incurred and were \$26,126 and \$25,757 during the years ended June 30, 2018 and 2017, respectively.

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### **Income Taxes**

United Way of Spokane County is organized as a Washington nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), and qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization has determined that it is not subject to unrelated business income tax.

### **Estimates**

The preparation of the 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

### **Financial Instruments and Credit Risk**

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates.

### **Labor Subject to Collective Bargaining Agreements**

Five members of the Organization's labor force are covered under a collective bargaining agreement that expires June 30, 2020.

### **Subsequent Events**

The Organization has evaluated subsequent events through November 21, 2018, the date the financial statements were available to be issued.

**Note 2 - Fair Value Measurements and Disclosures**

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that the Organization can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization’s assessment of the quality, risk or liquidity profile of the asset. The fair value of the Organization’s beneficial interest in assets held by Innovia is based on the fair value of the investments as reported by Innovia. These are considered to be Level 3 measurements.

The following table presents assets measured at fair value on a recurring basis at June 30, 2018 and 2017:

|  | Total      | Fair Value Measurements Using                      |  |                                     |
|--|------------|--|--|-------------------------------------|
|  |            | Quoted<br>Prices in<br>Active Markets<br>(Level 1) | Other<br>Observable<br>Inputs<br>(Level 2) | Unobservable<br>Inputs<br>(Level 3) |
| Beneficial interest in assets held by Innovia Foundation |            |  |  |                                     |
| June 30, 2018  | \$ 339,008 | \$ -   | \$ -                                       | \$ 339,008                          |
| June 30, 2017  | \$ 330,198 | \$ -   | \$ -                                       | \$ 330,198                          |

Below is a reconciliation of the beginning and ending balance of the beneficial interest in assets held by Innovia measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2018 and 2017:

|                        |    |          |
|------------------------|----|----------|
| Balance, June 30, 2016 | \$ | 307,181  |
| Contributions          |    | 1,221    |
| Interest and dividends |    | 10,405   |
| Realized gains         |    | 4,482    |
| Unrealized gains       |    | 23,943   |
| Management fees        |    | (4,250)  |
| Distributions          |    | (12,784) |
|                        |    | 330,198  |
| Balance, June 30, 2017 |    | 330,198  |
| Contributions          |    | 1,367    |
| Interest and dividends |    | 9,687    |
| Realized gains         |    | 12,105   |
| Unrealized gains       |    | 5,673    |
| Management fees        |    | (4,996)  |
| Distributions          |    | (15,026) |
|                        |    | 339,008  |
| Balance, June 30, 2018 | \$ | 339,008  |

**Note 3 - Property and Equipment**

Property and equipment consists of the following at June 30, 2018 and 2017:

|                               | 2018      | 2017      |
|-------------------------------|-----------|-----------|
| Equipment                     | \$ 84,143 | \$ 84,143 |
| Furniture and fixtures        | 92,196    | 92,196    |
| Leasehold improvements        | 45,202    | 45,202    |
|                               | 221,541   | 221,541   |
| Less accumulated depreciation | 194,430   | 175,970   |
|                               | \$ 27,111 | \$ 45,571 |

**Note 4 - Restricted Net Assets**

*Temporarily Restricted*

Temporarily restricted net assets at June 30, 2018 and 2017 consist of:

|   | 2018         | 2017         |
|---|--------------|--------------|
| Promises to give, net                       | \$ 1,118,422 | \$ 1,359,169 |
| Less designations payable                   | 202,130      | 385,961      |
|   | 916,292      | 973,208      |
| Miscellaneous purpose restrictions - grants | 593,690      | 748,696      |
|   | \$ 1,509,982 | \$ 1,721,904 |

Net assets were released from donor restrictions by collecting promises to give or by incurring expenditures satisfying the restricted purposes in the amounts of \$3,008,677 and \$2,905,004 during the years ended June 30, 2018 and 2017, respectively.

**Note 5 - Line of Credit**

The Organization has a revolving line of credit with Washington Trust Bank that provides for available borrowings up to a maximum of \$300,000. The agreement matures on March 5, 2019. Borrowings under the line of credit bear interest at Washington Trust Bank's index plus 1%. Borrowings under the line of credit are subject to certain covenants on working capital.

**Note 6 - Leases**

The Organization leases equipment under various operating leases expiring at various dates through 2019. In addition, the Organization leases its primary facility from Washington 920, LLC under an agreement that expires in 2019. Future minimum lease payments are \$95,947 in 2019.

**Note 7 - Employee Benefits**

Effective December 1, 1997, the Organization adopted a defined contribution 403(b) Thrift Plan. All employees, except those covered under a collective bargaining agreement, are eligible to participate. There is no minimum age or service requirements for employee contributions. To be eligible for employer contributions, the employee must be at least 21 years of age and complete one year of service. The Organization's contribution has been 5% of compensation, whether or not the employees make a contribution. Union employees have elected to be covered by a plan sponsored by the union. Employer contributions are calculated on a rate-per-hour basis. Contribution expense for both plans for the years ended June 30, 2018 and 2017 was \$43,048 and \$48,063, respectively.



Supplementary Information  
June 30, 2018 and 2017

# United Way of Spokane County



United Way of Spokane County  
Statement of Functional Expenses – Program Services  
Year Ended June 30, 2018

|  | Community<br>Planning &<br>Capacity | Excelerate<br>Success | Education  | Volunteer<br>Services | Labor<br>Relations | Youth<br>Program<br>Quality | Financial<br>Stability | Health     | Total        |
|--|-------------------------------------|-----------------------|------------|-----------------------|--------------------|-----------------------------|------------------------|------------|--------------|
| Salaries                               | \$ 89,748                           | \$ 142,457            | \$ 9,519   | \$ 130,402            | \$ 24,280          | \$ 5,898                    | \$ 48,686              | \$ 5,949   | \$ 456,939   |
| Employee benefits                      | 15,644                              | 23,204                | 699        | 22,810                | 4,545              | 699                         | 12,323                 | 437        | 80,361       |
| Payroll taxes                          | 6,165                               | 9,147                 | 276        | 8,992                 | 1,792              | 276                         | 4,858                  | 172        | 31,678       |
| Total salaries and related expenses    | 111,557                             | 174,808               | 10,494     | 162,204               | 30,617             | 6,873                       | 65,867                 | 6,558      | 568,978      |
| Grants and other assistance            | 104,087                             | 10,040                | 423,400    | 11,212                | -                  | 3,128                       | 273,700                | 507,400    | 1,332,967    |
| Fees for services                      | 6,789                               | 7,573                 | -          | 13,605                | -                  | -                           | -                      | -          | 27,967       |
| Information services                   | 4,346                               | 6,515                 | 194        | 6,345                 | 1,262              | 244                         | 3,423                  | 121        | 22,450       |
| Office expenses                        | 4,586                               | 8,909                 | 153        | 13,667                | 1,004              | 163                         | 3,717                  | 96         | 32,295       |
| Printing, publication, and advertising | 694                                 | 7,117                 | -          | 537                   | -                  | -                           | 1,170                  | -          | 9,518        |
| Occupancy                              | 10,270                              | 15,234                | 459        | 14,975                | 2,984              | 459                         | 8,090                  | 287        | 52,758       |
| Conferences, conventions, and meetings | 991                                 | 7,507                 | -          | 3,093                 | 695                | 813                         | 789                    | -          | 13,888       |
| Travel                                 | 649                                 | 4,297                 | -          | 1,569                 | 393                | 715                         | 971                    | -          | 8,594        |
| Other                                  | 2,581                               | 2,077                 | -          | 43,225                | -                  | -                           | -                      | -          | 47,883       |
| Depreciation                           | 1,705                               | -                     | -          | 493                   | 493                | -                           | -                      | -          | 2,691        |
| Total expenses                         | \$ 248,255                          | \$ 244,077            | \$ 434,700 | \$ 270,925            | \$ 37,448          | \$ 12,395                   | \$ 357,727             | \$ 514,462 | \$ 2,119,989 |

United Way of Spokane County  
Statement of Functional Expenses – Program Services  
Year Ended June 30, 2017

|  | Community<br>Planning &<br>Capacity | Excelerate<br>Success | Children<br>Succeed in<br>School | Volunteer<br>Services | Labor<br>Relations | Early<br>Learning | Financial<br>Stability | Health            | Total               |
|--|-------------------------------------|-----------------------|----------------------------------|-----------------------|--------------------|-------------------|------------------------|-------------------|---------------------|
| Salaries                                   | \$ 65,464                           | \$ 99,215             | \$ 16,535                        | \$ 82,758             | \$ 24,306          | \$ 39,987         | \$ 40,239              | \$ 9,099          | \$ 377,603          |
| Employee benefits                          | 11,747                              | 28,156                | 1,924                            | 24,307                | 5,267              | 8,811             | 8,204                  | 1,013             | 89,429              |
| Payroll taxes                              | 4,400                               | 10,544                | 721                              | 9,103                 | 1,972              | 3,300             | 3,072                  | 379               | 33,491              |
| <b>Total salaries and related expenses</b> | <b>81,611</b>                       | <b>137,915</b>        | <b>19,180</b>                    | <b>116,168</b>        | <b>31,545</b>      | <b>52,098</b>     | <b>51,515</b>          | <b>10,491</b>     | <b>500,523</b>      |
| Grants and other assistance                | 91,000                              | 5,000                 | 453,750                          | 9,379                 | -                  | 47,992            | 294,700                | 441,396           | 1,343,217           |
| Fees for services                          | 5,724                               | 12,142                | 1                                | 15,794                | 4                  | 7                 | 193                    | 1                 | 33,866              |
| Information services                       | 2,814                               | 6,863                 | 469                              | 5,951                 | 1,284              | 2,148             | 2,049                  | 247               | 21,825              |
| Office expenses                            | 2,249                               | 14,552                | 947                              | 32,610                | 870                | 4,921             | 2,227                  | 163               | 58,539              |
| Printing, publication, and advertising     | 1,665                               | 2,925                 | 290                              | 4,875                 | -                  | -                 | 6,127                  | -                 | 15,882              |
| Occupancy                                  | 23,619                              | 13,452                | 919                              | 11,613                | 2,516              | 4,210             | 4,016                  | 484               | 60,829              |
| Conferences, conventions, and meetings     | 1,871                               | 4,614                 | -                                | 8,260                 | -                  | 2,599             | 2,138                  | -                 | 19,482              |
| Travel                                     | 2,858                               | 7,712                 | -                                | 2,568                 | 59                 | 5,555             | 2,158                  | -                 | 20,910              |
| Other                                      | 500                                 | 2,487                 | -                                | 1,562                 | -                  | -                 | -                      | -                 | 4,549               |
| Depreciation                               | 2,668                               | 2,349                 | 161                              | 2,521                 | 932                | 735               | 701                    | 84                | 10,151              |
| <b>Total expenses</b>                      | <b>\$ 216,579</b>                   | <b>\$ 210,011</b>     | <b>\$ 475,717</b>                | <b>\$ 211,301</b>     | <b>\$ 37,210</b>   | <b>\$ 120,265</b> | <b>\$ 365,824</b>      | <b>\$ 452,866</b> | <b>\$ 2,089,773</b> |