

**United Way of Greater Cincinnati
and Subsidiaries**

Independent Auditor's Report and Consolidated Financial Statements
December 31, 2016 and 2015

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

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Independent Auditor's Report

Board of Directors
United Way of Greater Cincinnati and Subsidiaries
Cincinnati, Ohio

We have audited the accompanying consolidated financial statements of United Way of Greater Cincinnati and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our 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 consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greater Cincinnati and Subsidiaries as of December 31, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information (Consolidating Schedule – Financial Position Information and Consolidating Schedule – Activities Information), is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

BKD, LLP

Cincinnati, Ohio
June 21, 2017

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2016

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	Operating	Custodial			
ASSETS					
Cash and cash equivalents	\$ 1,069,199	\$ 66,704	\$ 3,571,226	\$ -	\$ 4,707,129
Pledges receivable	44,277,373	-	4,272,689	-	48,550,062
Less allowance for uncollectible	(5,898,508)	-	-	-	(5,898,508)
Accounts receivable	605,899	243,228	113,500	-	962,627
Investments	36,542,729	-	2,908,278	577,022	40,028,029
Beneficial interest in charitable trusts	-	-	8,487,636	6,064,815	14,552,451
Other current assets	254,417	-	-	-	254,417
Other long-term assets	404,298	-	7,577	-	411,875
Land, buildings and equipment, net	13,466,441	-	-	-	13,466,441
TOTAL ASSETS	\$ 90,721,848	\$ 309,932	\$ 19,360,906	\$ 6,641,837	\$ 117,034,523
LIABILITIES					
Grants and designations payable	\$ 40,324,367	\$ -	\$ -	\$ -	\$ 40,324,367
Accounts payable	1,957,690	-	-	-	1,957,690
Accrued expenses	1,062,117	-	-	-	1,062,117
Long-term debt	17,806	-	-	-	17,806
Other liabilities	184,414	309,932	-	-	494,346
TOTAL LIABILITIES	43,546,394	309,932	-	-	43,856,326
NET ASSETS					
Unrestricted					
Unappropriated	13,923,011	-	-	-	13,923,011
Board appropriated	33,252,443	-	-	-	33,252,443
Total unrestricted	47,175,454	-	-	-	47,175,454
Temporarily restricted	-	-	19,360,906	-	19,360,906
Permanently restricted	-	-	-	6,641,837	6,641,837
TOTAL NET ASSETS	47,175,454	-	19,360,906	6,641,837	73,178,197
TOTAL LIABILITIES AND NET ASSETS	\$ 90,721,848	\$ 309,932	\$ 19,360,906	\$ 6,641,837	\$ 117,034,523

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2015

	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	Operating	Custodial			
ASSETS					
Cash and cash equivalents	\$ 2,421,227	\$ 1,997	\$ 4,395,012	\$ -	\$ 6,818,236
Pledges receivable	47,458,220	-	5,078,955	-	52,537,175
Less allowance for uncollectible	(6,211,983)	-	-	-	(6,211,983)
Accounts receivable	1,281,734	88,823	42,500	-	1,413,057
Investments	40,611,716	-	3,001,868	576,997	44,190,581
Beneficial interest in charitable trusts	-	-	8,325,410	5,915,704	14,241,114
Other current assets	248,754	-	-	-	248,754
Notes receivable	12,117,200	-	-	-	12,117,200
Other long-term assets	523,463	-	7,846	-	531,309
Land, buildings and equipment, net	13,562,711	-	-	-	13,562,711
TOTAL ASSETS	\$ 112,013,042	\$ 90,820	\$ 20,851,591	\$ 6,492,701	\$ 139,448,154
LIABILITIES					
Grants and designations payable	\$ 41,997,138	\$ -	\$ -	\$ -	\$ 41,997,138
Accounts payable	2,151,093	-	-	-	2,151,093
Accrued expenses	1,237,967	-	-	-	1,237,967
Long-term debt	19,652,617	-	-	-	19,652,617
Interest rate swap agreement	65,819	-	-	-	65,819
Other liabilities	71,479	90,820	-	-	162,299
TOTAL LIABILITIES	65,176,113	90,820	-	-	65,266,933
NET ASSETS					
Unrestricted					
Unappropriated	7,921,557	-	-	-	7,921,557
Board appropriated	38,915,372	-	-	-	38,915,372
Total unrestricted	46,836,929	-	-	-	46,836,929
Temporarily restricted	-	-	20,851,591	-	20,851,591
Permanently restricted	-	-	-	6,492,701	6,492,701
TOTAL NET ASSETS	46,836,929	-	20,851,591	6,492,701	74,181,221
TOTAL LIABILITIES AND NET ASSETS	\$ 112,013,042	\$ 90,820	\$ 20,851,591	\$ 6,492,701	\$ 139,448,154

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES For the Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT & REVENUE				
Gross campaign results (2016/2017)	\$ 48,901,957	\$ 1,247,900	\$ -	\$ 50,149,857
Less donor designations	(11,886,921)	-	-	(11,886,921)
Less provision for uncollectible	(3,070,199)	-	-	(3,070,199)
Net campaign revenue (2016/2017)	33,944,837	1,247,900	-	35,192,737
Gross campaign results (2015/2016)	4,659,196	78,861	-	4,738,057
Change in provision for uncollectible	552,068	-	-	552,068
Net campaign revenue (2015/2016)	5,211,264	78,861	-	5,290,125
Gross campaign results (2014/2015)	92,870	21,324	-	114,194
Change in provision for uncollectible	292,428	-	-	292,428
Net campaign revenue (2014/2015)	385,298	21,324	-	406,622
Other contributions	343,332	2,719,619	25	3,062,976
Designations from other United Ways	224,916	-	-	224,916
Service fees	669,476	-	-	669,476
Grants and contracts	242,080	788,885	-	1,030,965
Income on beneficial interest in charitable trusts	281,796	409,368	-	691,164
Investment income	1,207,363	64,414	-	1,271,777
Net realized gain on investments	460,637	123,640	-	584,277
Net unrealized gain on investments	468,109	85,798	-	553,907
Fair value change of beneficial interest in charitable trusts	-	162,226	149,111	311,337
Fair value change of interest rate swap agreement	65,819	-	-	65,819
Donated materials and services	955,255	-	-	955,255
Gain on new market tax credits	3,398,848	-	-	3,398,848
Gain on forgiveness of debt	12,117,200	-	-	12,117,200
Miscellaneous income	550,623	-	-	550,623
Net assets released from restrictions	7,192,720	(7,192,720)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	67,719,573	(1,490,685)	149,136	66,378,024
EXPENSES AND LOSSES				
Program services				
Grants and distributions	45,856,999	-	-	45,856,999
Less donor designations	(11,886,921)	-	-	(11,886,921)
Net grants and distributions	33,970,078	-	-	33,970,078
Other program services	11,977,358	-	-	11,977,358
Total program services	45,947,436	-	-	45,947,436
Supporting services	9,316,412	-	-	9,316,412
Forgiveness of note receivable	12,117,200	-	-	12,117,200
TOTAL EXPENSES AND LOSSES	67,381,048	-	-	67,381,048
CHANGE IN NET ASSETS	338,525	(1,490,685)	149,136	(1,003,024)
NET ASSETS AT BEGINNING OF YEAR	46,836,929	20,851,591	6,492,701	74,181,221
NET ASSETS AT END OF YEAR	\$ 47,175,454	\$ 19,360,906	\$ 6,641,837	\$ 73,178,197

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT & REVENUE				
Gross campaign results (2015/2016)	\$ 54,255,920	\$ 888,043	\$ -	\$ 55,143,963
Less donor designations	(10,698,851)	-	-	(10,698,851)
Less provision for uncollectible	(3,510,000)	-	-	(3,510,000)
Net campaign revenue (2015/2016)	40,047,069	888,043	-	40,935,112
Gross campaign results (2014/2015)	3,356,442	27,500	-	3,383,942
Change in provision for uncollectible	432,297	-	-	432,297
Net campaign revenue (2014/2015)	3,788,739	27,500	-	3,816,239
Gross campaign results (2013/2014)	160,046	40,000	-	200,046
Change in provision for uncollectible	561,456	-	-	561,456
Net campaign revenue (2013/2014)	721,502	40,000	-	761,502
Other contributions	3,477,538	3,733,820	-	7,211,358
Designations from other United Ways	158,766	-	-	158,766
Service fees	924,022	-	-	924,022
Grants and contracts	391,973	923,374	-	1,315,347
Income on beneficial interest in charitable trusts	275,121	480,045	-	755,166
Investment income	1,485,071	73,560	-	1,558,631
Net realized gain on investments	395,139	128,600	-	523,739
Net unrealized loss on investments	(1,061,438)	(222,659)	-	(1,284,097)
Fair value change of beneficial interest in charitable trusts	-	(785,187)	(457,839)	(1,243,026)
Fair value change of interest rate swap agreement	88,236	-	-	88,236
Donated materials and services	1,648,173	-	-	1,648,173
Miscellaneous income	591,758	-	-	591,758
Net assets released from restrictions	4,489,244	(4,489,244)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	57,420,913	797,852	(457,839)	57,760,926
EXPENSES				
Program services				
Grants and distributions	44,127,681	-	-	44,127,681
Less donor designations	(10,698,851)	-	-	(10,698,851)
Net grants and distributions	33,428,830	-	-	33,428,830
Other program services	11,896,862	-	-	11,896,862
Total program services	45,325,692	-	-	45,325,692
Supporting services	9,352,372	-	-	9,352,372
TOTAL EXPENSES	54,678,064	-	-	54,678,064
CHANGE IN NET ASSETS	2,742,849	797,852	(457,839)	3,082,862
NET ASSETS AT BEGINNING OF YEAR	44,094,080	20,053,739	6,950,540	71,098,359
NET ASSETS AT END OF YEAR	\$ 46,836,929	\$ 20,851,591	\$ 6,492,701	\$ 74,181,221

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2016

EXPENSES	PROGRAM SERVICES				SUPPORT SERVICES			Total
	Community Impact	Direct Services	Central Services	Program Services Total	Organizational Administration	Fundraising	Support Services Total	
Grants and distributions	\$ 45,856,999	\$ -	\$ -	\$ 45,856,999	\$ -	\$ -	\$ -	\$ 45,856,999
Less donor designations	(11,886,921)	-	-	(11,886,921)	-	-	-	(11,886,921)
Sub-Total	33,970,078	-	-	33,970,078	-	-	-	33,970,078
Salaries	2,491,264	800,172	751,727	4,043,163	1,712,226	2,430,018	4,142,244	8,185,407
Payroll taxes	177,304	60,700	57,188	295,192	118,861	193,203	312,064	607,256
Employee benefits	689,735	210,142	210,915	1,110,792	431,046	648,406	1,079,452	2,190,244
Sub-Total	3,358,303	1,071,014	1,019,830	5,449,147	2,262,133	3,271,627	5,533,760	10,982,907
Contract services	3,291,112	99,563	118,470	3,509,145	421,157	969,173	1,390,330	4,899,475
Supplies	65,627	5,867	18,367	89,861	10,359	36,712	47,071	136,932
Printing and copying	124,123	31,824	29,150	185,097	50,192	162,616	212,808	397,905
Marketing and promotions	621,213	6,347	5,780	633,340	5,491	300,883	306,374	939,714
Postage and shipping	4,895	958	31,605	37,458	11,583	14,163	25,746	63,204
Telephone and networks	75,973	37,103	139,177	252,253	51,877	85,375	137,252	389,505
Occupancy	278,326	90,610	522,453	891,389	193,022	239,743	432,765	1,324,154
Meetings	147,241	34,862	5,890	187,993	47,293	231,727	279,020	467,013
Travel	88,681	11,433	9,616	109,730	22,168	59,135	81,303	191,033
Board/staff development	11,224	2,603	274	14,101	3,372	18,062	21,434	35,535
Insurance	12,692	1,851	43,192	57,735	13,644	130,827	144,471	202,206
Interest	42,647	13,601	613,911	670,159	28,727	41,546	70,273	740,432
Miscellaneous	33,479	8,057	54,221	95,757	117,654	17,603	135,257	231,014
Equipment	22,594	4,549	100,426	127,569	8,653	14,191	22,844	150,413
Dues and subscriptions	218,596	67,934	63,907	350,437	151,478	209,430	360,908	711,345
Depreciation and amortization	82,944	26,452	557,177	666,573	55,870	80,803	136,673	803,246
Sub-Total	5,121,367	443,614	2,313,616	7,878,597	1,192,540	2,611,989	3,804,529	11,683,126
Less interdepartmental expenses	(77,323)	-	(1,273,063)	(1,350,386)	(13,790)	(8,087)	(21,877)	(1,372,263)
Total Functional Expenses	\$ 42,372,425	\$ 1,514,628	\$ 2,060,383	\$ 45,947,436	\$ 3,440,883	\$ 5,875,529	\$ 9,316,412	\$ 55,263,848

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2015

EXPENSES	PROGRAM SERVICES				SUPPORT SERVICES			Total
	Community Impact	Direct Services	Central Services	Program Services Total	Organizational Administration	Fundraising	Support Services Total	
Grants and distributions	\$ 43,228,702	\$ -	\$ 898,979	\$ 44,127,681	\$ -	\$ -	\$ -	\$ 44,127,681
Less donor designations	(10,698,851)	-	-	(10,698,851)	-	-	-	(10,698,851)
Sub-Total	32,529,851	-	898,979	33,428,830	-	-	-	33,428,830
Salaries	2,288,978	827,956	804,262	3,921,196	1,667,312	2,487,268	4,154,580	8,075,776
Payroll taxes	153,201	63,742	68,527	285,470	116,964	183,242	300,206	585,676
Employee benefits	747,315	260,768	282,613	1,290,696	545,665	795,736	1,341,401	2,632,097
Sub-Total	3,189,494	1,152,466	1,155,402	5,497,362	2,329,941	3,466,246	5,796,187	11,293,549
Contract services	2,095,619	140,205	148,177	2,384,001	555,999	586,152	1,142,151	3,526,152
Supplies	35,791	7,668	25,017	68,476	11,346	23,634	34,980	103,456
Printing and copying	19,306	44,920	49,336	113,562	71,149	276,395	347,544	461,106
Marketing and promotions	1,346,918	4,727	5,378	1,357,023	6,638	114,555	121,193	1,478,216
Postage and shipping	4,993	2,015	39,594	46,602	11,692	14,997	26,689	73,291
Telephone and networks	69,267	42,051	137,874	249,192	48,301	84,498	132,799	381,991
Occupancy	244,765	89,098	520,723	854,586	187,223	265,949	453,172	1,307,758
Meetings	138,886	22,185	13,087	174,158	67,383	193,378	260,761	434,919
Travel	104,743	8,369	7,021	120,133	21,090	66,588	87,678	207,811
Board/staff development	7,146	741	141	8,028	2,979	10,557	13,536	21,564
Insurance	11,334	3,110	43,726	58,170	15,446	130,054	145,500	203,670
Interest	60,339	21,802	920,835	1,002,976	44,078	65,575	109,653	1,112,629
Miscellaneous	52,789	16,477	27,476	96,742	85,676	3,079	88,755	185,497
Equipment	77,158	21,605	125,366	224,129	2,119	75,077	77,196	301,325
Dues and subscriptions	201,517	71,520	70,290	343,327	151,256	215,776	367,032	710,359
Depreciation and amortization	90,298	32,627	587,156	710,081	65,963	98,133	164,096	874,177
Sub-Total	4,560,869	529,120	2,721,197	7,811,186	1,348,338	2,224,397	3,572,735	11,383,921
Less interdepartmental expenses	(119,399)	-	(1,292,287)	(1,411,686)	(13,250)	(3,300)	(16,550)	(1,428,236)
Total Functional Expenses	\$ 40,160,815	\$ 1,681,586	\$ 3,483,291	\$ 45,325,692	\$ 3,665,029	\$ 5,687,343	\$ 9,352,372	\$ 54,678,064

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,003,024)	\$ 3,082,862
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized (gain)/loss on investments	(584,277)	(523,739)
Net unrealized (gain)/loss on investments	(553,907)	1,284,097
Depreciation and amortization	803,246	874,177
Net (gain)/loss on disposal of assets	2,204	(17,241)
Change in fair value of beneficial interest in charitable trusts	(311,337)	1,243,026
Change in fair value of interest rate swap agreement	(65,819)	(88,236)
Provision for uncollectible pledges receivable	2,808,966	2,516,247
Change in cash value of life insurance	(36,387)	(38,910)
Gain on new market tax credit	(3,398,848)	-
Changes in:		
Pledges and accounts receivable	1,315,102	(1,668,789)
Other current and long-term assets and liabilities	325,861	92,908
Grants and accounts payable and accrued expenses	(2,047,154)	(368,480)
Net cash (used in) provided by operating activities	<u>(2,745,374)</u>	<u>6,387,922</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	344,719,578	258,549,850
Purchase of investments	(339,418,842)	(260,267,500)
Proceeds from sale of property and equipment	-	34,950
Purchase of property and equipment	(548,229)	(314,919)
Net cash provided by (used in) investing activities	<u>4,752,507</u>	<u>(1,997,619)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt	(4,094,832)	(837,320)
Payment of capital lease obligations	(23,408)	(24,430)
Net cash used in financing activities	<u>(4,118,240)</u>	<u>(861,750)</u>
(Decrease)/increase in cash and cash equivalents	(2,111,107)	3,528,553
Cash and cash equivalents at beginning of year	<u>6,818,236</u>	<u>3,289,683</u>
Cash and cash equivalents at end of year	<u>\$ 4,707,129</u>	<u>\$ 6,818,236</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Forgiveness of note receivable	\$ 12,117,200	\$ -
Forgiveness of long-term debt	12,117,200	-
Interest paid	749,320	1,076,790
Accounts payable incurred for purchase of property and equipment	5,130	5,135

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

NOTE A - ORGANIZATION

United Way of Greater Cincinnati's (UWGC) mission is as follows: United Way is a leader and community catalyst mobilizing the power of individuals and organizations to help people measurably improve their lives. United Way of Greater Cincinnati is responsible for investing funds raised through a joint fundraising campaign with the American Red Cross, Cincinnati-Dayton Region (Cincinnati Red Cross) in programs and initiatives providing health and human services in the Greater Cincinnati community. UWGC, incorporated in 1920 in the State of Ohio as a charitable organization, is recognized as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

UWGC solicits funds in the fall of each year to be applied in the following calendar year to finance a wide range of health and human services in the Greater Cincinnati community. Revenues, gains and other support, grants, and payments to other United Way organizations are recorded by UWGC. The distribution to the Cincinnati Red Cross is made in accordance with a written agreement.

UWGC operates through five major functional areas and is governed by a volunteer Board of Directors. The five functional areas are:

1. Community Impact

UWGC is well positioned to lead a collective impact effort around education, income and health. In its role as a convener, UWGC has brought together key stakeholders from throughout the ten-county region (Hamilton, Clermont, Brown, and Butler counties in Ohio; Boone, Kenton, Campbell, and Grant counties in Kentucky; and Dearborn and Ohio counties in Indiana) to establish a common vision and pursue evidence-based actions in mutually reinforcing ways.

UWGC's Agenda for Community Impact is based on the three essential building blocks for a good life:

- Education is the basis for individual success; it is essential to getting and keeping a job with a livable wage and health benefits.
- An income adequate to pay for today's necessities and save for the future provides individuals and families some sense of financial stability.
- Access to quality health care keeps children on track in school, adults productive at work and provides a foundation of care and support to ensure healthy lives for all people.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE A - ORGANIZATION (continued)

1. Community Impact (continued)

Over the past several years, volunteers and staff have worked diligently to continuously improve and use data to drive decisions. UWGC agency and community partners refined strategies, adjusted performance measures and improved measurement systems. Funding decisions are based on best-practice research. Strategic community initiatives promote collaborative problem solving and community development with governmental and non-profit agencies. Success By 6 is an initiative working to ensure that all children age 0 to 5 are healthy and ready to succeed by the time they start kindergarten. Public Policy maintains liaisons with elected and appointed federal, state and local officials regarding legislation and administrative procedures influencing health and human service needs. Community Services works to involve organized labor in all levels of health and welfare activities and help union members obtain social services.

UWGC has led the effort to align, coordinate and focus the work around clearly defined Bold Goals. UWGC and more than 40 key stakeholder groups have developed six Bold Goals for Our Region. Each of these goals is inspirational, yet measurable; each will help us drive the work forward in a coordinated and leveraged fashion. The Bold Goals are for our region; our Agenda for Community Impact is how we will work toward achieving the goals.

In the end, we are committed to ensuring all children achieve academic and life success and all families and individuals achieve greater financial stability.

2. Direct Services

Direct Services are services provided by UWGC, such as United Way 211 and United Way Volunteer Connection.

United Way 211 links people to services and volunteer opportunities. United Way 211 is available 24 hours a day, seven days a week to people in: Hamilton, Clermont, Brown, and Butler Counties in Ohio; Boone, Kenton, Campbell, and Grant counties in Kentucky; and Dearborn, Jefferson, Ohio, Ripley, and Switzerland counties in Indiana.

United Way Volunteer Connection strives to increase the effectiveness and participation of all segments of volunteer resources through recruitment, training, education, and recognition.

3. Central Services

Central Services include self-supporting programs which serve UWGC's operating divisions and other non-profit organizations. These fee-producing programs include group employee benefits administration, building and grounds management, printing, office supplies, mail and accounting.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE A - ORGANIZATION (continued)

4. Fundraising

Fundraising plans, directs, and controls the development of financial resources for UWGC through a variety of fundraising activities, including the annual campaign, campaign communications, planned and deferred giving, and supplemental fundraising.

5. Organizational Administration

Organizational Administration directs the internal operation of UWGC, coordinates and manages programs designed to meet goals and objectives at the direction of the Board of Directors, directs and controls financial systems and assets of UWGC, and manages human resources of UWGC.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Consolidation

The consolidated financial statements include the accounts of UWGC, UWGC Services, Inc. and UWGC Foundation (the Foundation).

The Foundation, a wholly-owned subsidiary of UWGC, was established for the purpose of handling endowed investments and related activities.

UWGC Services, Inc. is a wholly-owned real estate subsidiary of UWGC established to operate the regional center building at 2400 Reading Road, Cincinnati, Ohio. All assets were transferred to UWGC at December 31, 2016. Dissolution of UWGC Services, Inc. occurred in March 2017.

“UWGC” is used herein to refer to UWGC individually and, as applicable, to all three organizations on a consolidated basis. All intercompany accounts have been eliminated upon consolidation.

2. Financial Statement Presentation

UWGC classifies its net assets and revenues, expenses, gains and losses, based on the existence or absence of donor-imposed restrictions. The accompanying financial statements have been prepared using the accrual basis of accounting.

3. Cash and Cash Equivalents

UWGC considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2016 and 2015, cash and cash equivalents consisted primarily of cash and money market mutual funds.

UWGC's cash accounts exceeded federally insured limits by approximately \$4,955,000 at December 31, 2016.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Pledges Receivable

UWGC's pledges receivable include contributions from the fundraising campaign conducted each fall. Pledges receivable are due in accordance with the donor's stipulation on the pledge form. Pledges receivable are stated at amounts due from donors net of an allowance for uncollectible pledges. UWGC determines its allowance for uncollectible pledges by monitoring the collectability of pledges receivable from specific donors, analyzing historical bad debts, the donors' ability to pay their obligation and the condition of the general economy as a whole. UWGC writes off pledges receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for uncollectible pledges.

5. Investments

Investments are reported at fair value with gains and losses included in the statements of activities. The value of investments in hedge funds is determined using net asset value (NAV), as a practical expedient, to determine fair value of the investments. Investments include money market funds held in brokerage accounts.

6. Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost or fair value at time of acquisition and depreciated generally on a straight-line basis over the estimated useful lives of each asset, which range from 3 to 40 years.

Long-lived Asset Impairment

UWGC evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2016 and 2015.

7. Contributions Received and Made

Revenues include contributions from the fundraising campaign conducted each fall to support the following year's activities. Direct contributions are considered available for unrestricted use unless they are specifically restricted by the donor. Contributions received are recorded in the year the related commitments are received as unrestricted, temporarily restricted, or permanently restricted revenue. As restrictions on temporarily restricted net assets are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the statements of activities. Contributions made (grants) are recognized in the year when the related commitments are made.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Certain contributions/pledges received in fundraising campaigns are designated by individuals for specific agencies or for United Way organizations in areas other than the Greater Cincinnati service area. Accounting standards require that organizations who receive contributions/pledges that are designated by donors for other organizations exclude such designated contributions/pledges from amounts recognized as contributions received and contributions made. UWGC classifies and reports such designations in its statement of activities as a reduction of contribution revenue and of grants expense.

8. Gains and Losses and Investment Income

Gains and losses and investment income are allocated on a percentage basis to applicable funds.

9. Donated Materials and Services

UWGC records the estimated fair value of certain donated materials and services as an expense in its financial statements, and similarly increases revenue by a like amount. Donated materials and services in 2016 and 2015 total approximately \$955,000 and \$1,648,000, respectively, and primarily include salaries/contract services and advertising.

10. Grants Expense

UWGC records grants to agencies as grants expense in the period such grants are approved by the Board of Directors and commitments are made to the recipient agencies. UWGC has a policy of making grant commitments in the fall for a grant funding year of January 1 to December 31.

In December 2016, the UWGC Board of Directors approved grants to fund agencies for the period January 1, 2017 to December 31, 2017.

11. Functional Allocation of Expenses

The costs of supporting the program services and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program support services categories based on specific identification and UWGC staff time spent within each functional area.

12. Unrestricted Net Assets and Custodial Funds

Unrestricted net assets represent funds that are available for general support of UWGC activities. Custodial funds represent balances held for agencies that participate in UWGC group benefit plans. Certain net assets have been designated by the Board of Directors for specific purposes (see Note K).

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

13. Temporarily Restricted Net Assets

Temporarily restricted net assets are expended in compliance with the restrictions imposed by the donors or grantors. Such net assets released in 2016 consist primarily of net assets with restrictions as to when they may be used.

14. Permanently Restricted Net Assets

Permanently restricted net assets represent funds received from donors, which are to be invested in perpetuity with income therefrom to be used to provide funds to the community in accordance with the wishes of the donors. Unless specifically directed by the donor, only the initial corpus of permanently restricted contributions is included. All growth is recorded as temporarily restricted.

15. Market and Credit Risk

UWGC holds investments in equity, debt securities, repurchase agreements and hedge funds. Management does not believe there are any undue concentrations of risk with regard to investments held. UWGC's pledges receivable are from various employers, employees of such employers and from the general public in the Greater Cincinnati area.

16. Income Taxes

UWGC is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, UWGC is subject to federal income tax on any unrelated business taxable income. UWGC files tax returns in the U.S. federal jurisdiction.

17. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains, other support and expenses during the reporting period. Actual results could differ from those estimates.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE C - PLEDGES RECEIVABLE

The following summarizes unrestricted pledges receivable and the related allowance for uncollectible pledges at December 31, 2016 and 2015:

	<u>Pledges Receivable</u>	<u>Allowance for Uncollectible</u>	<u>Net Pledges Receivable</u>
2016			
Campaign 2016-2017	\$ 36,601,462	\$ (3,070,000)	\$ 33,531,462
Campaign 2015-2016	7,143,572	(2,828,508)	4,315,064
Future Campaigns	532,339	-	532,339
Total	<u>\$ 44,277,373</u>	<u>\$ (5,898,508)</u>	<u>\$ 38,378,865</u>
2015			
Campaign 2015-2016	\$ 39,605,997	\$ (3,399,950)	\$ 36,206,047
Campaign 2014-2015	7,774,356	(2,812,033)	4,962,323
Future Campaigns	77,867	-	77,867
Total	<u>\$ 47,458,220</u>	<u>\$ (6,211,983)</u>	<u>\$ 41,246,237</u>

In addition, UWGC has received multi-year pledges, as follows:

	<u>2016</u>	<u>2015</u>
Within one year	\$ 1,358,943	\$ 1,932,928
One to five years	4,184,000	3,716,653
More than five years	80,000	976,798
	<u>5,622,943</u>	<u>6,626,379</u>
Less: present value component	<u>(188,415)</u>	<u>(133,631)</u>
Total multi-year pledges receivable	<u>\$ 5,434,528</u>	<u>\$ 6,492,748</u>
Included in unrestricted pledges above	\$ 1,161,839	\$ 1,413,793
Included in temporarily restricted pledges	<u>4,272,689</u>	<u>5,078,955</u>
Total	<u>\$ 5,434,528</u>	<u>\$ 6,492,748</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE D - ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2016 and 2015:

	Unrestricted		Temporarily	Total
	Operating	Custodial	Restricted	
2016				
Interest and dividends	\$ 133,555	\$ -	\$ -	\$ 133,555
Grant receivables	13,621	-	-	13,621
Other receivables	458,723	243,228	113,500	815,451
Total	<u>\$ 605,899</u>	<u>\$ 243,228</u>	<u>\$ 113,500</u>	<u>\$ 962,627</u>
2015				
Interest and dividends	\$ 288,261	\$ -	\$ -	\$ 288,261
Grants receivables	70,049	-	-	70,049
Other receivables	923,424	88,823	42,500	1,054,747
Total	<u>\$ 1,281,734</u>	<u>\$ 88,823</u>	<u>\$ 42,500</u>	<u>\$ 1,413,057</u>

All accounts were deemed collectible as of December 31, 2016 and 2015.

NOTE E - INVESTMENTS

The cost and fair value of investments and the unrealized gain (loss) at December 31, 2016 and 2015 are summarized as follows by type of investment:

	2016		
	Cost	Net Unrealized Gain/(Loss)	Market Value
Common stock	\$ 9,617,651	\$ 2,745,346	\$ 12,362,997
Corporate bonds	16,945,983	(65,073)	16,880,910
Equity mutual funds	3,410,127	250,714	3,660,841
Fixed income mutual funds	1,141,007	828	1,141,835
Money market investments	423,648	(12)	423,636
Pooled debt and equity funds	2,910,982	776,141	3,687,123
U.S. government securities	861,491	(12,954)	848,537
Hedge funds	1,000,000	22,150	1,022,150
Total	<u>\$ 36,310,889</u>	<u>\$ 3,717,140</u>	<u>\$ 40,028,029</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE E - INVESTMENTS (continued)

	2015		
	Cost	Net Unrealized Gain/(Loss)	Market Value
Eurodollar time deposits	\$ 5,000,000	\$ -	\$ 5,000,000
Common stock	9,867,426	2,489,093	12,356,519
Corporate bonds	17,453,725	(45,746)	17,407,979
Equity mutual funds	2,617,153	43,066	2,660,219
Fixed income mutual funds	822,888	12,381	835,269
Money market investments	655,476	-	655,476
Pooled debt and equity funds	2,920,267	652,747	3,573,014
U.S. government securities	690,413	(496)	689,917
Hedge funds	1,000,000	12,188	1,012,188
Total	<u>\$ 41,027,348</u>	<u>\$ 3,163,233</u>	<u>\$ 44,190,581</u>

Alternative Investments

The fair value of alternative investments has been estimated using the net asset value per share of the investments. Alternative investments held at December 31 consist of the following:

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
2016				
Hedge funds	<u>\$ 1,022,150</u>	<u>\$ -</u>	Qrtly	65 days
2015				
Hedge funds	<u>\$ 1,012,188</u>	<u>\$ -</u>	Qrtly	65 days

UWGC's investment in hedge funds is a multi-strategy hedge fund of funds that seeks to achieve long-term returns commensurate with the long-term returns from a portfolio invested in the general equity markets, while experiencing volatility that is consistent with a portfolio invested in the general debt markets.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE F - CHARITABLE TRUST AGREEMENTS

UWGC is the beneficiary of several perpetual trusts. Under the terms of these agreements, UWGC is to receive income earned on trust assets annually for its use into perpetuity. At the time UWGC is notified of its interest, the fair value of UWGC's interest in these perpetual trusts is recorded as a permanently restricted contribution and a beneficial interest in the charitable trust. The estimated value of expected future cash flows is evaluated annually and any change in value is classified as permanently restricted.

UWGC is also the beneficiary of several charitable remainder trusts. Under the terms of these agreements, the beneficiaries designated by the donor receive periodic distributions from the trust for either a specified dollar amount or a specified percentage of the trust's fair market value over the trust's term. Upon termination of the trust, UWGC receives its entire portion of the assets remaining in the trust.

At the time UWGC is notified of its interest, the present value of the estimated future benefits to be received is recorded as a temporarily or permanently restricted contribution (depending on the donor restrictions) and a beneficial interest in the charitable trust. Income received from beneficial interest in charitable trusts for the years ended December 31, 2016 and 2015 was \$691,164 and \$755,166, respectively. The estimated value of expected future cash flows is evaluated annually and any change in value is classified as temporarily or permanently restricted.

NOTE G - LAND, BUILDINGS AND EQUIPMENT

The following is a summary of land, buildings and equipment at December 31, 2016 and 2015:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
2016			
Land and land improvements	\$ 790,572	\$ (182,875)	\$ 607,697
Buildings and improvements	13,740,795	(2,245,575)	11,495,220
Office furniture and equipment	2,426,033	(1,463,377)	962,656
Vehicles	96,475	(46,699)	49,776
Construction in progress	351,092	-	351,092
Total	<u>\$ 17,404,967</u>	<u>\$ (3,938,526)</u>	<u>\$ 13,466,441</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE G - LAND, BUILDINGS AND EQUIPMENT (continued)

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
2015			
Land and land improvements	\$ 790,572	\$ (136,774)	\$ 653,798
Buildings and improvements	13,616,057	(1,920,957)	11,695,100
Office furniture and equipment	2,409,310	(1,261,865)	1,147,445
Vehicles	96,475	(30,107)	66,368
Total	<u>\$ 16,912,414</u>	<u>\$ (3,349,703)</u>	<u>\$ 13,562,711</u>

NOTE H - PENSION PLAN

UWGC and certain affiliated agencies participate in a non-contributory, defined benefit pension plan (the Plan). UWGC serves as the Plan Administrator and accounts for the Plan under accounting principles generally accepted in the United States as a multi-employer plan. UWGC funds and expenses required contributions each year.

The risks of participating in a multi-employer plan are different from single-employer plans in the following aspects:

1. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
2. If a participating employer stops contributing to the plan, the unfunded obligations of the Plan may be borne by the remaining participating employers.
3. If UWGC chooses to stop participating in its multi-employer plan, UWGC may be required to pay the plan an amount based on the underfunded status of the Plan, on a termination basis. This termination amount is approximately \$8,392,588 at December 31, 2016.

UWGC's participation in this plan for the annual period ended December 31, 2016, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE H - PENSION PLAN (continued)

Pension Fund	EIN/Pension Plan Number	FIP/RP Status Pending/ Implemented	Contributions of UWGC	
			2016	2015
Pension Plan for Employees of United Way of Greater Cincinnati and Affiliated Agencies	31-0537502/ PN 333	N/A	\$ 1,526,109	\$ 1,006,726

As determined by the Plan's actuary, UWGC is noted as providing more than 5 percent of the total contributions for plan years 2016 and 2015. At the date the financial statements were issued, the Form 5500 was not available for the plan year ending in 2016.

At December 31, 2016, UWGC's liability on a funding basis had a surplus estimated at \$559,640 based on the current Plan's actuarial data and asset value as of January 1, 2017. This surplus includes contributions made by UWGC to the Plan. The actual minimum funding requirements for the future will be determined at each anniversary date. UWGC does not intend to withdraw from the Plan.

UWGC also has a defined contribution plan covering substantially all employees. The Board of Directors annually determines the amount, if any, UWGC contributes to the plan.

Retirement expense for the defined contribution plan for the years ended December 31, 2016 and 2015 was \$215,545 and \$417,923, respectively, and is included in salaries and related expenses.

NOTE I - LONG-TERM DEBT

	2016	2015
Note payable, Consortium America (A)	\$ -	\$ 7,012,800
Note payable, Consortium America (B)	-	1,807,200
Note payable, WNC (A)	-	5,104,400
Note payable, WNC (B)	-	1,615,600
Note payable to bank (C)	-	4,070,879
Capital lease obligations (D)	41,669	66,905
Less current maturities of capital lease obligations	(23,863)	(25,167)
	<u>\$ 17,806</u>	<u>\$ 19,652,617</u>

(A)(B)(C) UWGC Services, Inc. executed a loan agreement on August 31, 2009 that provided borrowings of \$6,720,000 and \$8,820,000, from WNC Sub-CDE (Community Development Entity) and Consortium America Sub-CDE, respectively. The loans were to finance the

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE I - LONG-TERM DEBT (continued)

renovation, redevelopment, and expansion of the property located at 2400 Reading Road, Cincinnati, Ohio. UWGC Services, Inc. leased to UWGC for use as its headquarters, a conference center and to lease to other non-profit entities for office space. The loans were intended to be treated as a “qualified low-income community investment” (the “QLICI Loans”) for purposes of generating New Market Tax Credits (NMTC) under Section 45D of the Internal Revenue Code of 1986, as amended.

Each of the QLICI Loans consisted of two loans: one with a 7-year term (Loans A) and one with a 30-year term (Loans B). The interest rate for each of the loans was 5.7%. The WNC QLICI Loans and Consortium America QLICI Loans were funded from equity contributions made by the Greater Cincinnati UW Investment Fund, LLC (the “Fund”) (an entity unrelated to UWGC or UWGC Services) to WNC Sub-CDE in the amount \$7,000,000 and to Consortium America Sub-CDE in the amount of \$9,000,000 in return for the Fund’s 99.99% interest in each entity. The Fund’s capital contributions, in turn, were funded from two sources: (1) a \$4,492,000 equity contribution by US Bank Community Development Corporation (CDC) to the Fund and (2) a \$12,117,200 loan from UWGC to the Fund which had a 7-year term, 6.58% interest rate and monthly interest payments with principal due in full at maturity (the “Leverage Loan”). The Leverage Loan was funded from the proceeds of a \$12,117,200 loan from US Bank to UWGC which had identical terms to the Leverage Loan, namely, a 7-year term, 6.58% interest rate and monthly interest payments with principal due in full at maturity (the “Upper-Tier Loan”) (Loan C).

The QLICI Loans were secured by mortgages on the project in favor of WNC Sub-CDE and Consortium America Sub-CDE. The QLICI Loans were also secured by an assignment from UWGC Services, Inc. to WNC Sub-CDE and Consortium America Sub-CDE of its rights under the Capital Contribution Agreement, under which UWGC was obligated to contribute funds to UWGC Services, Inc. (i) up to \$9,014,273 if UWGC Services, Inc. incurred operating deficits after construction completion, (ii) up to \$8,772,165 if the QLICI Loans were defaulted or come due, and (iii) if there was construction cost overruns. As security for UWGC’s obligations under the Contribution Agreement, (i) the Foundation pledged to UWGC Services, Inc. \$7,117,283 of the securities (based on market value and a specified margin call value percentage) held in the Foundation’s investment accounts, and (ii) UWGC pledged to UWGC Services, Inc. \$5,000,000 held in UWGC’s account with US Bank. These pledges were assigned by UWGC Services, Inc. to WNC Sub-CDE and Consortium America Sub-CDE as further security for the QLICI Loans.

As security for the Leverage Loan, the Fund pledged to UWGC its interests in WNC Sub-CDE and Consortium America Sub-CDE. In turn, UWGC assigned to US Bank the pledges made by the Fund to UWGC as security for the Leverage Loan as security for the Upper Tier Loan.

UWGC and UWGC Services, Inc. were generally required to compensate (i) US Bank CDC for recaptured NMTC’s, environmental issues and the put price, and (ii) WNC Sub-CDE and Consortium America Sub-CDE for environmental issues and construction cost overruns. In addition, UWGC and The Foundation guaranteed the value of the securities pledged to UWGC Services, Inc.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE I - LONG-TERM DEBT (continued)

The Loans A were due August 31, 2016. The Loans B had principal payments beginning in October 2016. On September 1, 2016 Consortium America and WNC entered into a Redemption and Assignment Agreement with US Bank CDC and assigned title and interest with their Promissory Notes dated August 31, 2009 and distributed the loan principal balances to US Bank CDC. Consortium America's A Note was for \$7,012,800 and the B Note was \$1,807,200. WNC's A Note was \$5,104,400 and the B Note was \$1,615,600. UWGC then exercised a put option with US Bank CDC to purchase full equity interest in the Fund.

In February 2011, UWGC prepaid a portion of the Upper-Tier Loan in the amount of \$2,200,000 and refinanced the remaining balance of \$9,917,200 at a variable interest rate equal to LIBOR plus 2.25% with monthly interest payments and principal due in full at maturity (August 31, 2016). In December 2011, as a result of this refinancing, US Bank agreed to a collateral release of \$2,670,737 in securities pledged under the Contribution Agreement. In conjunction with the refinancing and as a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, UWGC entered into an interest rate swap agreement for a portion of this floating rate debt. The agreement provided for UWGC to receive interest from the counterparty (US Bank) at LIBOR and to pay interest to the counterparty at a fixed rate of 2.80% on a notional amount of \$4,070,880. Under the agreement, UWGC paid or received the net interest amount monthly, with the monthly settlements included in interest expense. The Upper-Tier Loan was paid August 29, 2016. At that time, the interest rate swap agreement was terminated.

- (D) Capital leases include leases covering copiers expiring August, 2018. Current maturities of capital lease obligations are included with other liabilities on the consolidated statement of financial position.

Aggregate payments on capital lease obligations at December 31, 2016, are:

2017	\$	24,901
2018		<u>18,024</u>
		42,925
Less amount representing interest		<u>(1,256)</u>
Present value of future minimum lease payments	\$	<u><u>41,669</u></u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE J - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2016 and 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Held as beneficial interest in charitable trusts	\$ 8,487,636	\$ 8,325,410
Capital campaign	573,858	1,292,600
Use in future periods	4,503,457	5,752,684
Partners for a Competitive Workforce	433,423	456,911
Success By 6	1,754,634	1,922,031
Accelerator Fund	542,000	-
Various purpose restrictions	3,065,898	3,101,955
Total	<u>\$ 19,360,906</u>	<u>\$ 20,851,591</u>

NOTE K - UNRESTRICTED NET ASSETS

Unrestricted net assets consist of the following at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Unappropriated UWGC net assets as follows		
Amounts invested in land, buildings and equipment, or designated by the Board for such purposes	\$ 13,923,011	\$ 7,921,557
Total Unappropriated	13,923,011	7,921,557
UWGC net assets appropriated by the Board as follows:		
Middletown Community Foundation	584,799	592,514
Campaign distribution for operating budget	10,676,200	10,611,300
Campaign distribution for undetermined allocations	1,969,368	2,522,701
UWGC program initiatives	423,960	496,783
UWW Digital Services Operating Group	200,000	400,000
Other designations	137,851	157,996
Foundation allocations for operating and capital budgets	1,153,070	800,000
Foundation designated for UWGC campaign	4,288,534	1,446,875
Foundation designation for endowment	14,821,308	19,537,133
UWGC operating reserves	(1,002,647)	2,350,070
Total Board Appropriated	<u>33,252,443</u>	<u>38,915,372</u>
Total	<u>\$ 47,175,454</u>	<u>\$ 46,836,929</u>

NOTE L - RELATED PARTY TRANSACTIONS

UWGC provides services such as employee benefits administration, facility rentals and duplicating for which it receives a fee from the agencies using these services.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE M - DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016 and 2015:

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2016				
Investments				
Common stock	\$ 12,362,997	\$ 12,362,997	\$ -	\$ -
Corporate bonds	16,880,910	-	16,880,910	-
Equity mutual funds	3,660,841	3,660,841	-	-
Fixed income mutual funds	1,141,835	1,141,835	-	-
Money market investments	423,636	423,636	-	-
Pooled debt and equity funds	3,687,123	-	3,591,772	95,351
U.S. government securities	848,537	-	848,537	-
Hedge funds	1,022,150	-	1,022,150	-
Total	\$ 40,028,029	\$ 17,589,309	\$ 22,343,369	\$ 95,351
Beneficial interest in charitable trusts	\$ 14,552,451	-	\$ 14,552,451	-

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE M - DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (continued)

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2015				
Investments				
Eurodollar time deposits	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -
Common stock	12,356,519	12,356,519	-	-
Corporate bonds	17,407,979	-	17,407,979	-
Equity mutual funds	2,660,219	2,660,219	-	-
Fixed income mutual funds	835,269	835,269	-	-
Money market investments	655,476	655,476	-	-
Pooled debt and equity funds	3,573,014	-	3,469,437	103,577
U.S. government securities	689,917	-	689,917	-
Hedge funds	1,012,188	-	1,012,188	-
Total	<u>\$ 44,190,581</u>	<u>\$ 16,507,483</u>	<u>\$ 27,579,521</u>	<u>\$ 103,577</u>
Beneficial interest in charitable trusts	<u>\$ 14,241,114</u>	<u>\$ -</u>	<u>\$ 14,241,114</u>	<u>\$ -</u>
Interest rate swap agreement	<u>\$ (65,819)</u>	<u>\$ -</u>	<u>\$ (65,819)</u>	<u>\$ -</u>

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2016.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include common stock, equity mutual funds, fixed income mutual funds and money market investments. For investments, other than alternative investments, the inputs used by the pricing service to determine fair value may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications and are classified within Level 2 of the valuation hierarchy. These Level 2 securities include corporate bonds, U.S. government securities and Eurodollar time deposits. For alternative investments that have sufficient activity or liquidity within the fund, fair value is determined using the net asset value (or its equivalent) provided by the fund and are classified within Level 2 of the valuation hierarchy. These alternative investments include pooled debt and equity funds, which are comprised of marketable securities and are valued based on the underlying market values of the securities. There are no liquidity restrictions on these funds. The value of certain other alternative investments is determined using net asset value (or its equivalent) as a practical expedient. Investments for which UWGC expect to have the ability to redeem its investments with the investee within 12 months after the reporting date are categorized as Level 2.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE M - DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (continued)

These alternative investments include a hedge fund of funds. Investments for which UWGC does not expect to be able to redeem its investments with the investee within 12 months after the reporting date are categorized as Level 3.

Level 3 Reconciliation

At December 31, 2016 and 2015, UWGC has \$95,351 and \$103,577, respectively, of pooled debt and equity funds that are recognized in the accompanying consolidated statements of financial position using significant unobservable (Level 3) inputs. The only activity within these funds during 2016 and 2015 was (\$8,226) and \$3,577, respectively, in unrealized appreciation / (depreciation).

Unobservable (Level 3) Inputs

As noted previously, UWGC's Level 3 investments are valued at net asset value (NAV) or its equivalent and classified within the fair value hierarchy based on UWGC's ability to redeem the fund within a reasonable period of time. The value of alternative investments is considered to be based on unobservable inputs. There was no quantitative measurements (i.e. discount rates, market return rates, etc.) used to adjust NAV.

Beneficial Interest in Charitable Trusts

Fair value is estimated based on future distributions expected to be received approximated by the fair value of the underlying assets in these trusts, which are comprised of marketable securities. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

Interest Rate Swap Agreement

The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or that can be corroborated by observable market data and therefore, are classified within Level 2 of the valuation hierarchy.

NOTE N - ENDOWMENT

UWGC's endowment consists of approximately 125 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE N – ENDOWMENT (continued)

UWGC's governing body has interpreted the State of Ohio Uniform Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, UWGC classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by UWGC in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, UWGC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of UWGC and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of UWGC
7. Investment policies of UWGC

The composition of net assets by type of endowment fund at December 31, 2016 and 2015, were:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
2016				
Donor-restricted endowment funds	\$ -	\$ 2,908,278	\$ 577,022	\$ 3,485,300
Board-designated endowment funds	18,921,100	-	-	18,921,100
Total endowment funds	<u>\$ 18,921,100</u>	<u>\$ 2,908,278</u>	<u>\$ 577,022</u>	<u>\$ 22,406,400</u>
2015				
Donor-restricted endowment funds	\$ -	\$ 3,001,868	\$ 576,997	\$ 3,578,865
Board-designated endowment funds	20,839,820	-	-	20,839,820
Total endowment funds	<u>\$ 20,839,820</u>	<u>\$ 3,001,868</u>	<u>\$ 576,997</u>	<u>\$ 24,418,685</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE N - ENDOWMENT (continued)

Changes in endowment net assets for the year ended December 31, 2016 and 2015, were:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
2016				
Endowment net assets, beginning of year	\$ 20,839,820	\$ 3,001,868	\$ 576,997	\$ 24,418,685
Investment return:				
Investment income	922,186	188,324	-	1,110,510
Net appreciation	497,793	85,798	-	583,591
Total investment return	1,419,979	274,122	-	1,694,101
Contributions	484,381	414,417	25	898,823
Appropriation of endowment assets for expenditure	(3,819,298)	(765,683)	-	(4,584,981)
Other changes	(3,782)	(16,446)	-	(20,228)
Endowment net assets, end of year	<u>\$ 18,921,100</u>	<u>\$ 2,908,278</u>	<u>\$ 577,022</u>	<u>\$ 22,406,400</u>
2015				
Endowment net assets, beginning of year	\$ 18,985,163	3,150,604	\$ 576,997	\$ 22,712,764
Investment return:				
Investment income	901,614	202,160	-	1,103,774
Net depreciation	(1,077,220)	(222,659)	-	(1,299,879)
Total investment return	(175,606)	(20,499)	-	(196,105)
Contributions	3,027,299	487,774	-	3,515,073
Appropriation of endowment assets for expenditure	(944,221)	(602,265)	-	(1,546,486)
Other changes	(52,815)	(13,746)	-	(66,561)
Endowment net assets, end of year	<u>\$ 20,839,820</u>	<u>\$ 3,001,868</u>	<u>\$ 576,997</u>	<u>\$ 24,418,685</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE N - ENDOWMENT (continued)

Amounts of donor-restricted endowment funds classified as permanently restricted and temporarily restricted net assets at December 31, 2016 and 2015, consisted of:

	<u>2016</u>	<u>2015</u>
Permanently restricted net assets - portion of perpetual endowment funds required to be retained permanently by explicit donor stipulation	<u>\$ 577,022</u>	<u>\$ 576,997</u>
Temporarily restricted net assets		
With purpose restrictions	\$ 2,310,304	\$ 2,418,030
With timing restrictions	597,974	583,838
	<u>\$ 2,908,278</u>	<u>\$ 3,001,868</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level UWGC is required to retain as a fund of perpetual duration pursuant to donor stipulation. In accordance with GAAP, no deficiencies of this nature are reported in unrestricted net assets at December 31, 2016 and 2015.

UWGC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds UWGC must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under UWGC's policies, endowment assets are invested in a manner that is intended to produce results that exceed spending plus inflation while assuming a moderate level of investment risk. UWGC expects its endowment funds to provide an average rate of return of approximately 8% over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, UWGC relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). UWGC targets a diversified asset grant that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

UWGC has a spending policy of appropriating for expenditures each year 5% of its endowment fund's average fair value over the prior 12 quarters through the year-end preceding the year in which expenditure is planned. In establishing this policy, UWGC considered the long-term expected return on its endowment. Accordingly, over the long term, UWGC expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with UWGC's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2016 AND 2015

NOTE O - CONCENTRATIONS

Contributions from one corporate donor and its employees were approximately 17% and 16% of total contributions revenue in 2016 and 2015, respectively.

NOTE P - CONTINGENCIES

UWGC is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of UWGC.

NOTE Q - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

UWGC Services, Inc. was dissolved in March 2017. All assets were transferred to UWGC as of December 31, 2016. In accordance with FASB Accounting Standards Codification 805, *Business Combinations*, the transfer of net assets is recorded as of January 1, 2016, the date of the beginning of the period in which the transaction occurred, and accordingly, no activity is reported for UWGC Services, Inc. in 2016.

In February 2017, UWGC entered into an Operating Agreement with Cincinnati Preschool Promise, LLC (CPP, LLC). There has been an immaterial amount of transactions under this agreement through the report date.

In April 2017, UWGC, as the initial member, paid a capital contribution of \$100 to CPP, LLC for 100 units of ownership interest. The UWGC Board of Directors named five Managers and ratified all fifteen members of the CPP, LLC Board of Managers.

In January 2017, the Foundation approved a grant of \$500,000 to UWGC for their membership investment in United Way Digital Holdings, LLC (UWDH, LLC). UWGC paid \$400,000 in February 2017 as a membership investment in UWDH, LLC. The investment represents a 3.33% interest in the UWDH, LLC. The investment is formed as a joint effort between local United Ways and United Way Worldwide for the creation of an employee engagement solution.

SUPPLEMENTAL INFORMATION

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARIES

CONSOLIDATING SCHEDULE - FINANCIAL POSITION INFORMATION
December 31, 2016

	UWGC				UWGC Foundation			Eliminating Entries		Consolidated Totals				
	Unrestricted	Custodial	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Custodial	Temporarily Restricted	Permanently Restricted	Totals
ASSETS														
Cash and cash equivalents	\$ 1,060,376	\$ 66,704	\$ 3,571,226	\$ -	\$ 8,823	\$ -	\$ -	\$ -	\$ -	\$ 1,069,199	\$ 66,704	\$ 3,571,226	\$ -	\$ 4,707,129
Pledges receivable	44,414,173	-	4,272,689	-	100,000	400,970	-	(236,800)	(400,970)	44,277,373	-	4,272,689	-	48,550,062
Less allowance for uncollectible	(5,898,508)	-	-	-	-	-	-	-	-	(5,898,508)	-	-	-	(5,898,508)
Accounts receivable	412,348	243,228	855,600	-	338,951	10,000	-	(145,400)	(752,100)	605,899	243,228	113,500	-	962,627
Investments	16,828,659	-	-	-	19,714,070	2,908,278	577,022	-	-	36,542,729	-	2,908,278	577,022	40,028,029
Beneficial interest in charitable trusts	-	-	-	985,016	-	8,487,636	5,079,799	-	-	-	-	8,487,636	6,064,815	14,552,451
Other current assets	254,417	-	-	-	-	-	-	-	-	254,417	-	-	-	254,417
Other long-term assets	-	-	-	-	404,298	7,577	-	-	-	404,298	-	7,577	-	411,875
Land, buildings and equipment, net	13,466,441	-	-	-	-	-	-	-	-	13,466,441	-	-	-	13,466,441
TOTAL ASSETS	\$ 70,537,906	\$ 309,932	\$ 8,699,515	\$ 985,016	\$ 20,566,142	\$ 11,814,461	\$ 5,656,821	\$ (382,200)	\$ (1,153,070)	\$ 90,721,848	\$ 309,932	\$ 19,360,906	\$ 6,641,837	\$ 117,034,523
LIABILITIES														
Grants and designations payable	\$ 40,482,367	\$ -	\$ -	\$ -	\$ 1,456,300	\$ -	\$ -	\$ (1,614,300)	\$ -	\$ 40,324,367	\$ -	\$ -	\$ -	\$ 40,324,367
Accounts payable	1,957,690	-	-	-	-	-	-	-	-	1,957,690	-	-	-	1,957,690
Accrued expenses	1,062,117	-	-	-	-	-	-	-	-	1,062,117	-	-	-	1,062,117
Long-term debt	17,806	-	-	-	-	-	-	-	-	17,806	-	-	-	17,806
Other liabilities	105,384	309,932	-	-	-	-	-	79,030	-	184,414	309,932	-	-	494,346
TOTAL LIABILITIES	43,625,364	309,932	-	-	1,456,300	-	-	(1,535,270)	-	43,546,394	309,932	-	-	43,856,326
NET ASSETS														
Unrestricted														
Unappropriated	13,923,011	-	-	-	-	-	-	-	-	13,923,011	-	-	-	13,923,011
Board appropriated	12,989,531	-	-	-	19,109,842	-	-	1,153,070	-	33,252,443	-	-	-	33,252,443
Total unrestricted	26,912,542	-	-	-	19,109,842	-	-	1,153,070	-	47,175,454	-	-	-	47,175,454
Temporarily restricted	-	-	8,699,515	-	-	11,814,461	-	-	(1,153,070)	-	-	19,360,906	-	19,360,906
Permanently restricted	-	-	-	985,016	-	-	5,656,821	-	-	-	-	-	6,641,837	6,641,837
TOTAL NET ASSETS	26,912,542	-	8,699,515	985,016	19,109,842	11,814,461	5,656,821	1,153,070	(1,153,070)	47,175,454	-	19,360,906	6,641,837	73,178,197
TOTAL LIABILITIES AND NET ASSETS	\$ 70,537,906	\$ 309,932	\$ 8,699,515	\$ 985,016	\$ 20,566,142	\$ 11,814,461	\$ 5,656,821	\$ (382,200)	\$ (1,153,070)	\$ 90,721,848	\$ 309,932	\$ 19,360,906	\$ 6,641,837	\$ 117,034,523

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATING SCHEDULE - ACTIVITIES INFORMATION
For the Year Ended December 31, 2016

	UWGC			UWGC Foundation			UWGC Services		Eliminating Entries		Consolidated Totals			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT & REVENUE														
Gross campaign results (2016/2017)	\$ 49,135,396	\$ 1,247,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (233,439)	\$ -	\$ 48,901,957	\$ 1,247,900	\$ -	\$ 50,149,857
Less donor designations	(11,886,921)	-	-	-	-	-	-	-	-	-	(11,886,921)	-	-	(11,886,921)
Less provision for uncollectible	(3,070,199)	-	-	-	-	-	-	-	-	-	(3,070,199)	-	-	(3,070,199)
Net campaign revenue (2016/2017)	34,178,276	1,247,900	-	-	-	-	-	-	(233,439)	-	33,944,837	1,247,900	-	35,192,737
Gross campaign results (2015/2016)	4,659,196	78,861	-	-	-	-	-	-	-	-	4,659,196	78,861	-	4,738,057
Change in provision for uncollectible	552,068	-	-	-	-	-	-	-	-	-	552,068	-	-	552,068
Net campaign revenue (2015/2016)	5,211,264	78,861	-	-	-	-	-	-	-	-	5,211,264	78,861	-	5,290,125
Gross campaign results (2014/2015)	92,870	21,324	-	-	-	-	-	-	-	-	92,870	21,324	-	114,194
Change in provision for uncollectible	292,428	-	-	-	-	-	-	-	-	-	292,428	-	-	292,428
Net campaign revenue (2014/2015)	385,298	21,324	-	-	-	-	-	-	-	-	385,298	21,324	-	406,622
Other contributions	3,159,788	3,466,668	-	229,569	406,021	25	-	-	(3,046,025)	(1,153,070)	343,332	2,719,619	25	3,062,976
Designations from other United Ways	224,916	-	-	-	-	-	-	-	-	-	224,916	-	-	224,916
Service fees	686,395	-	-	-	-	-	-	-	-	-	686,395	-	-	686,395
Grants and contracts	242,080	788,885	-	-	-	-	-	-	(16,919)	-	242,080	788,885	-	1,030,965
Income on beneficial interest in charitable trusts	-	-	-	281,796	409,368	-	-	-	-	-	281,796	409,368	-	691,164
Investment income	772,319	-	-	435,044	64,414	-	-	-	-	-	1,207,363	64,414	-	1,271,777
Net realized gain on investments	(135,630)	-	-	596,267	123,640	-	-	-	-	-	460,637	123,640	-	584,277
Net unrealized gain on investments	8,832	-	-	459,277	85,798	-	-	-	-	-	468,109	85,798	-	553,907
Fair value change of beneficial interest in charitable trusts	-	-	6,847	-	162,226	142,264	-	-	-	-	-	162,226	149,111	311,337
Fair value change of interest rate swap agreement	65,819	-	-	-	-	-	-	-	-	-	65,819	-	-	65,819
Donated materials and services	955,255	-	-	-	-	-	-	-	-	-	955,255	-	-	955,255
Gain on new market tax credits	3,398,848	-	-	-	-	-	-	-	-	-	3,398,848	-	-	3,398,848
Gain on forgiveness of debt	12,117,200	-	-	-	-	-	-	-	-	-	12,117,200	-	-	12,117,200
Miscellaneous income	536,563	-	-	14,060	-	-	-	-	-	-	550,623	-	-	550,623
Net assets released from restrictions	7,210,590	(7,210,590)	-	782,130	(782,130)	-	-	-	(800,000)	800,000	7,192,720	(7,192,720)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	69,017,813	(1,606,952)	6,847	2,798,143	469,337	142,289	-	-	(4,096,383)	(353,070)	67,719,573	(1,490,685)	149,136	66,378,024
EXPENSES AND LOSSES														
Program services														
Grants and distributions	45,735,692	-	-	4,553,841	-	-	-	-	(4,432,534)	-	45,856,999	-	-	45,856,999
Less donor designations	(11,886,921)	-	-	-	-	-	-	-	-	-	(11,886,921)	-	-	(11,886,921)
Net grants and distributions	33,848,771	-	-	4,553,841	-	-	-	-	(4,432,534)	-	33,970,078	-	-	33,970,078
Other program services	11,977,358	-	-	-	-	-	-	-	-	-	11,977,358	-	-	11,977,358
Total program services	45,826,129	-	-	4,553,841	-	-	-	-	(4,432,534)	-	45,947,436	-	-	45,947,436
Supporting services	9,214,863	-	-	118,468	-	-	-	-	(16,919)	-	9,316,412	-	-	9,316,412
Forgiveness of note receivable	12,117,200	-	-	-	-	-	-	-	-	-	12,117,200	-	-	12,117,200
TOTAL EXPENSES AND LOSSES	67,158,192	-	-	4,672,309	-	-	-	-	(4,449,453)	-	67,381,048	-	-	67,381,048
CHANGE IN NET ASSETS	1,859,621	(1,606,952)	6,847	(1,874,166)	469,337	142,289	-	-	353,070	(353,070)	338,525	(1,490,685)	149,136	(1,003,024)
NET ASSETS AT BEGINNING OF YEAR	27,437,826	10,202,767	978,169	20,984,008	11,345,124	5,514,532	(2,384,905)	103,700	800,000	(800,000)	46,836,929	20,851,591	6,492,701	74,181,221
TRANSFER OF NET ASSETS	(2,384,905)	103,700	-	-	-	-	2,384,905	(103,700)	-	-	-	-	-	-
NET ASSETS AT END OF YEAR	\$ 26,912,542	\$ 8,699,515	\$ 985,016	\$ 19,109,842	\$ 11,814,461	\$ 5,656,821	\$ -	\$ -	\$ 1,153,070	\$ (1,153,070)	\$ 47,175,454	\$ 19,360,906	\$ 6,641,837	\$ 73,178,197