UNITED WAY OF THE GREATER CAPITAL REGION, INC.
AND
STATE EMPLOYEES FEDERATED APPEAL

Combined Financial Statements as of
June 30, 2019
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

December 18, 2019

To the Board of Directors of
United Way of the Greater Capital Region, Inc. and State Employees Federated Appeal:

Report on the Financial Statements

We have audited the accompanying combined financial statements of United Way of the Greater Capital Region, Inc. (a New York State not-for-profit corporation) and State Employees Federated Appeal (collectively referred to as the Organization), which comprise the combined statement of financial position as of June 30, 2019, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion
In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Greater Capital Region, Inc. and State Employees Federated Appeal as of June 30, 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle
As described in Note 2 to the financial statements United Way of the Greater Capital Region, Inc. and State Employees Federated Appeal implemented Accounting Standards Update 2016-14, and the effects have been included in these financial statements. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information
We have previously audited the United Way of the Greater Capital Region, Inc. and State Employees Federated Appeal's 2018 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated April 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Report on Combining Information
Our audit was conducted for the purpose of forming an opinion on the combined financial statements of United Way of the Greater Capital Region, Inc. and State Employees Federated Appeal as a whole. The combining information presented in Schedules I and II is presented for the purposes of additional analysis of the combined financial statements rather than to present the financial position and results of activities of the individual companies, and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

The 2018 supplementary information is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and results of activities of the individual companies, and is not a required part of the combined 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 2018 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of those combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 supplementary information is fairly stated in all material respects in relation to the combined financial statements from which it has been derived.

Bonadio & Co., LLP

UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND STATE EMPLOYEES FEDERATED APPEAL

COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019
(With Comparative Totals for 2018)

	2019	2018
ASSETS		
Cash and cash equivalents	$ 807,636	$ 1,300,906
Investments	3,800,342	3,721,247
Pledges receivable, net of allowance for uncollectible pledges	1,611,477	1,707,815
Other receivables	330,098	82,502
Prepaid expenses and other assets	49,750	38,682
Property and equipment, net	240,711	236,786
Beneficial interest in perpetual trust	480,632	479,727
	$ 7,320,646	$ 7,567,665
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 156,562	$ 157,705
Grants and investments payable	918,300	932,467
Due to designated agencies	1,056,400	1,291,056
Long-term debt	-	49,463
Total liabilities	2,131,262	2,430,691
NET ASSETS:		
Without donor restrictions -		
Undesignated	1,239,567	1,463,703
Board designated	3,355,647	3,080,006
Total without donor restrictions	4,595,214	4,543,709
With donor restrictions	594,170	593,265
Total net assets	5,189,384	5,136,974
	$ 7,320,646	$ 7,567,665

The accompanying notes are an integral part of these statements.

UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND STATE EMPLOYEES FEDERATED APPEAL

COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Totals for 2018)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total 2019	2018
SUPPORT, REVENUE AND GAINS:				
Support				
Contributions received - United Way Campaign	$ 4,060,504	$ -	$ 4,060,504	$ 4,399,060
Less: Donor designations	(1,419,152)	-	(1,419,152)	(1,219,445)
Allowance for uncollectible pledges	(432,705)	-	(432,705)	(787,411)
Subtotal	2,208,647	-	2,208,647	2,392,204
Grants	308,811	-	308,811	356,083
Contributed goods and services	219,254	-	219,254	63,184
Legacies and bequests	28,055	-	28,055	19,470
Events	204,625	-	204,625	161,642
Total support	2,969,392	-	2,969,392	2,992,583
Revenue and gains				
Federated campaign income	448,115	-	448,115	281,056
Donor designated service fees	26,067	-	26,067	42,259
Interest and dividends	108,157	-	108,157	97,956
Rental revenue	46,400	-	46,400	44,581
Gain on investments	114,685	-	114,685	131,587
Miscellaneous	9,128		9,128	-
Gain permanently restricted	-	905	905	19,268
Total revenue and gains	752,552	905	753,457	616,707
Total support, revenue, and gains	3,721,944	905	3,722,849	3,609,290
EXPENSES:				
Program services:				
Community impact	1,934,430	-	1,934,430	1,351,034
SEFA	303,699	-	303,699	452,229
Total program services	2,238,129	-	2,238,129	1,803,263
Supporting services:				
Management and general	424,244	-	424,244	713,217
Fundraising	1,008,066	-	1,008,066	634,446
Total supporting services	1,432,310	-	1,432,310	1,347,663
Total expenses	3,670,439	-	3,670,439	3,150,926
CHANGE IN NET ASSETS	51,505	905	52,410	458,364
NET ASSETS - beginning of year	4,543,709	593,265	5,136,974	4,678,610
NET ASSETS - end of year	$ 4,595,214	$ 594,170	$ 5,189,384	$ 5,136,974

The accompanying notes are an integral part of these statements.

UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND
STATE EMPLOYEES FEDERATED APPEAL

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Community Impact	SEFA	Management and General	Fundraising	Total 2019	2018
Salaries and payroll taxes	$ 206,512	$ -	$ 220,457	$ 506,092	$ 933,061	$ 1,014,764
Retirement expenses	6,590	-	8,467	42,959	58,016	61,313
Other employee benefits	31,588	-	36,909	39,306	107,803	120,315
Contract & Grant Funded Payroll Expenses	116,414	90,293	-	64,608	271,315	-
Total salaries and related expenses	361,104	90,293	265,833	652,965	1,370,195	1,196,392
Community Care Fund allocations	920,520	-	-	-	920,520	748,748
Professional fees and services	327,336	3,318	45,463	50,866	426,983	251,881
Federated Campaign Expenses	-	197,576	-	-	197,576	321,122
Other Community Distributions	204,447	-	-	-	204,447	-
Advertising, publicity, and special events	34,163	-	8,070	161,181	203,414	248,364
Subscriptions and dues	23,676	-	25,611	23,111	72,398	91,445
Occupancy	17,883	-	13,196	25,595	56,674	56,901
Depreciation	10,800	-	15,372	25,920	52,092	31,919
Employee Expenses	9,281	-	10,578	28,435	48,294	18,197
Equipment, Software & Hardware	12,097	-	17,893	17,589	47,579	40,930
Telephone and postage	5,604	-	8,794	12,668	27,066	27,481
Loaned executive expense	-	12,512	-	-	12,512	18,951
Travel and related costs	5,224	-	4,710	1,648	11,582	5,135
Insurance	1,159	-	4,812	2,183	8,154	13,868
General office supplies and printing	1,036	-	2,775	1,957	5,768	7,780
Miscellaneous	100	-	-	3,948	4,048	2,723
Interest expense	-	-	1,137	-	1,137	9,070
Transitional expenses	-	-	-	-	-	60,019
	$ 1,934,430	$ 303,699	$ 424,244	$ 1,008,066	$ 3,670,439	$ 3,150,926

The accompanying notes are an integral part of these statements.

UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND STATE EMPLOYEES FEDERATED APPEAL

COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Totals for 2018)

	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 52,410	$ 458,364
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	44,097	33,019
Interest expenses on amortization of debt issuance costs	-	2,820
Provision for bad debts	(432,705)	(787,411)
Gain on investments	(114,685)	(131,587)
Gain on permanently restricted	(905)	(19,268)
Changes in:		
Pledges receivable	529,043	1,517,410
Other receivables	(247,596)	13,356
Prepaid expenses and other assets	(11,068)	22,742
Accounts payable and accrued expenses	(1,143)	(10,953)
Grants and investments payable	(14,167)	(267,755)
Due to designated agencies	(234,656)	(90,515)
Net cash flow from operating activities	(431,375)	740,222
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(3,798)	(3,672)
Proceeds from sales of investments	39,388	160,362
Purchases of property and equipment	(48,022)	(1,907)
Net cash flow from investing activities	(12,432)	154,783
CASH FLOW FROM FINANCING ACTIVITIES:		
Payments on long-term debt	(49,463)	(187,791)
Net cash flow from financing activities	(49,463)	(187,791)
CHANGE IN CASH AND CASH EQUIVALENTS	(493,270)	707,214
CASH AND CASH EQUIVALENTS - beginning of year	1,300,906	593,692
CASH AND CASH EQUIVALENTS - end of year	$ 807,636	$ 1,300,906

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1. ORGANIZATION AND HISTORY

United Way of the Greater Capital Region, Inc. (UWGCR), a New York not-for-profit United Way of the Greater Capital Region, Inc. (UWGCR), a New York not-for-profit corporation, provides services to individuals and corporations in the Capital Region. Our mission is to improve lives and advance the common good in the Capital Region by mobilizing the caring power of donors, volunteers, and community partners to give, volunteer, and advocate for people in need within our region.

Our vision is to be a recognized leader in the development and investment of philanthropic and volunteer resources in programs and initiatives that fight for the health, education and financial stability of every person in every community.

United Way of the Greater Capital Region, Inc. is a member of the United Way Worldwide. To maintain membership within this Organization, United Way of the Greater Capital Region, Inc. must make a membership investment to United Way Worldwide based on a percentage of annual contributions received. This membership fee paid to United Way Worldwide was $45,010 and $49,802 for the years ended June 30, 2019 and 2018, respectively.

During 2019, UWGCR issued grants to 57 local programs and special initiatives representing 48 agencies. More than 100,000 Greater Capital Region residents benefited from United Way-funded programs in 2018-2019.

UWGCR also helped mobilize more than 897 volunteers who contributed their time and expertise to community projects, organizational leadership and planning, fundraising and more.

STATE EMPLOYEES FEDERATED APPEAL (SEFA)

Workplace fund-raising campaigns - UWGCR is responsible for developing, implementing, and evaluating fund-raising programs with respective volunteer committees for 12 county areas in New York State.

State Employees Federated Appeal (SEFA)
State Employees Federated Appeal (SEFA) is an annual fund-raising campaign that occurs during the fall season. The program was established to accommodate the wishes of New York State employees who wanted a single fund-raising campaign that would reduce multiple charitable solicitations.

New York State regulations assign the responsibility of campaign oversight to the Capital Region SEFA Committee whose members include state employees and representatives of charitable agencies. Campaign administrative and fiscal management services are performed by personnel of United Way of the Greater Capital Region, Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The amounts in the combined financial statements include the accounts of the United Way of the Greater Capital Region, Inc. (UWGCR) and State Employees Federated Appeal (SEFA). All significant intercompany balances and transactions have been eliminated in the combination. The financial statements have been combined because of common control and interrelated operating activities.

These organizations are hereafter referred to as “the Organization”.

Basis of Accounting

The accompanying combined financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies followed by United Way of the Greater Capital Region, Inc. and State Employees Federal Appeal, are described below to enhance the usefulness of the combined financial statements.

Change in Accounting Principle

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, with the purpose of improving financial reporting by not-for-profit (NFP) entities. ASU 2016-14 changes the presentation and accounting for non-profit organization’s financial statements including:

- Reducing the number of classes of net assets from three to two (net assets with donor restriction and net assets without donor restriction);
- Requiring the presentation of expenses in both natural and functional classifications;
- Eliminating the requirement to disclose the components of investment return as well as reporting investment return net of external and direct internal investment expenses;
- Requiring qualitative and quantitative disclosure regarding an entity’s liquidity and availability of resources; and
- Accounting for underwater endowment funds.

ASU 2016-14 is effective for the Organization’s fiscal year ending June 30, 2019 and was applied retrospectively with the exception of the presentation of expenses in both natural and functional classifications and the disclosures regarding liquidity and availability of resources. The effects of this ASU have been included in these financial statements.

Use of Estimates

Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include bank demand deposit accounts, money market accounts and all highly liquid debt instruments purchased with a maturity of three months or less. The Organization’s cash balances may at times exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash and cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

All investments in publicly traded equity and fixed income mutual funds are stated at fair value. Fair value is determined using quoted market prices. All realized and unrealized gains and losses are reported directly in the accompanying combined statement of activities.

Marketable securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain marketable securities, it is at least reasonably possible that changes in the values of marketable securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying combined financial statements.

Pledges Receivable

The Organization provides an allowance for uncollectible pledges based upon collection history and a review of open accounts by management. Open accounts are written off after all collection efforts have been exhausted and the pledge is determined to be uncollectable. The allowance for uncollectible pledges was $285,000 and $309,000 as of June 30, 2019 and 2018, respectively.

Although management has reviewed the collection history while projecting the allowance, it is reasonably possible that actual uncollectible pledges may differ from the estimated allowance.

Property and Equipment

Property and equipment are stated at cost, except for donated assets, which are recorded at their fair market value at the date of the gift. The Organization does not imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are restricted as to their use by the donor. Accordingly, those donations are recorded as support, increasing net assets without donor restrictions.

Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When property and equipment are disposed of, the appropriate accounts are relieved of costs, and accumulated depreciation and any resultant gain or loss is reported as a change in net assets.

Depreciation is computed on a straight-line basis using the estimated useful lives (2 to 40 years) of the various assets.

Long-Lived Assets

The Organization assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable. This is accomplished by comparing the expected undiscounted future cash flows of the long-lived assets with the respective carrying amount as of the date of assessment. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, the long-lived assets are considered not to be impaired. If the expected undiscounted future cash flows are less than the carrying value, an impairment loss is recognized and measured as the difference between the carrying value and the fair value of the long-lived assets. No impairment of long-lived assets was recognized in 2019 or 2018.

Due to Affiliated Agencies/Pledge Income

Contributions which are designated to a specific third-party beneficiary are recorded as a liability at the fair market value at the time the contribution is received, net of campaign costs and allowance for uncollectible pledges. All pledges received by SEFA are considered donor-designated. These pledges are passed directly to the designated recipients and are excluded from the Organizations' revenue and expenses, except for a small portion that is allocated to revenue to cover direct campaign costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the support is received. All other donor-restricted support is reported as an increase net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

Financial Reporting

To ensure observance of limitations of restrictions placed on the use of resources available to the Organization, the resources are classified for reporting purposes into groups of net assets established according to their nature and purpose. Accordingly, all financial transactions have been recorded and reported by net asset group.

Net assets of the Organization are classified and reported as follows:

Net Assets Without Donor Restrictions - Undesignated – This category of net assets includes resources that are available for the support of the Organization's operating activities.

Net Assets Without Donor Restrictions – Board Designated – This category of net assets includes resources that the Board of Directors can authorize, as it desires, to carry on purposes of the Organization according to its bylaws.

Net Assets With Donor Restrictions – This category of net assets includes resources that have been donated to the Organization subject to restrictions as defined by the donor. The satisfaction of the restrictions is reflected as net assets released from restrictions in the statement of activities.

Donated and Contributed Services

A number of "loaned executives" have donated 10,204 and 947 hours to the Organization's fund-raising campaigns during the years ended June 30, 2019 and 2018, respectively. The services donated require specialized skills and are reflected in the combined statement of activities at their fair value. For the years ended June 30, 2019 and 2018, the amount recognized was $219,254 and $63,184, respectively.

Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and in the statements of functional expenses. Payroll and benefits are allocated based on time spent in the various programs. Depreciation, maintenance and occupancy related costs are allocated based on management's estimates. Allocations to funded agencies are all considered program expenses.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense was $203,414 and $248,364 for the years ended June 30, 2019 and 2018, respectively.

Financial Instruments Measured at Fair Value

Fair value is defined as 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. GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methodology used for the Organization's assets measured at fair value is to value the investments at quoted market prices on the last business day of the fiscal year.

The fair value of the beneficial interest in perpetual trusts is determined to be a level 2 measurement using the market approach as the carrying amount of these investments approximates fair value based on the value of similar assets at which the Organization could invest in.

Income Taxes
United Way of the Greater Capital Region, Inc. and SEFA are exempt from federal income tax as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and have been classified as an entity that is not a private foundation.

Comparative Financial Information
The combined financial statements include certain prior-year summarized comparative information in total but not by net asset class and functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended June 30, 2018, from which the summarized information was derived.

3. LIQUIDITY

The Organization has a goal to maintain financial assets on hand to meet normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Financial assets	
Cash and cash equivalents	$ 807,636
Investments	3,800,342
Pledges receivable, net of allowance	1,584,375
Other receivables	357,200
Beneficial Interest in perpetual trust	480,632
Total financial assets	7,030,185
Less: those unavailable for general expenditures within one year due to:	
Board restricted	(3,355,647)
Restricted by donor with purpose or time restriction	(594,170)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,080,368

3. LIQUIDITY (Continued)

The Organization maintains sufficient cash that is readily available for general expenditures. Additionally, the Organization's ability to meet its cash needs is further dependent, in part, on timely collection of its promises to give. The Organization's promises to give are due primarily from organizations and individuals. The Organization employs procedures specifically designed to collect from these payers as quickly as possible. However, timeliness of payment from these payers varies and is sometimes difficult to predict.

4. INVESTMENTS

Investments are managed in accordance with an investment policy that was approved by the Board of Directors. A summary of investments as of June 30, 2019 and 2018 is as follows:

	2019	2018
Mutual funds- equities	$ 2,394,149	$ 2,364,441
Mutual funds- fixed income	1,406,193	1,356,806
	$ 3,800,342	$ 3,721,247

For the years ended June 30, 2019 and 2018, the investments earned interest and dividends of $108,387 and $97,709, respectively. There were no investment management fees incurred for the years ended June 30, 2019 and 2018.

5. FAIR VALUE MEASUREMENTS

The Organizations investments at fair value, within the fair value hierarchy, are as follows as of June 30:

Description	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
June 30, 2019:				
Mutual funds - equities	$ 2,394,149	$ -	$ -	$ 2,394,149
Mutual funds - fixed income	1,406,193	-	-	1,406,193
Beneficial interest in perpetual trust	-	480,632	-	480,632
	$ 3,800,342	$ 480,632	$ -	$ 4,280,974
June 30, 2018:				
Mutual funds - equities	$ 2,364,441	$ -	$ -	$ 2,364,441
Mutual funds - fixed income	1,356,806	-	-	1,356,806
Beneficial interest in perpetual trust	-	479,727	-	479,727
	$ 3,721,247	$ 479,727	$ -	$ 4,200,974

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	2019	2018
Land	$ 102,300	$ 102,300
Building and building improvements	878,384	872,572
Office equipment	220,796	178,587
	1,201,480	1,153,459
Less: Accumulated depreciation	(960,769)	(916,673)
	$ 240,711	$ 236,786

Depreciation expense for the years ended June 30, 2019 and 2018 was approximately $52,000 and $32,400.

7. LINE-OF-CREDIT

The Organization has a secured $250,000 line-of-credit with Pioneer Savings Bank. Borrowings against the line are due on demand and interest is payable monthly at the Bank's prime rate plus one percent (6% at June 30, 2019), with a floor percentage rate of 5.25%. The balance is secured by all assets of the Organization. At June 30, 2019 and 2018 there was no outstanding balance on the line of credit.

8. NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATED NET ASSETS

Net assets with donor restrictions are available for the following purposes at June 30:

	2019	2018
Percy Waller Perpetual Charitable Trust	$ 480,632	$ 479,727
Bequests from estates to be held in perpetuity	113,061	113,061
United in action	477	477
	$ 594,170	$ 593,265

8. NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATED NET ASSETS (Continued)

Board designated net assets are available for the following purposes at June 30:

	2019	2018
ELAP	$ 4,600	$ 4,600
Funds functioning as endowment	3,351,047	3,075,406
	$ 3,355,647	$ 3,080,006

Beneficial Interest in Perpetual Trusts
The Organization is the beneficiary of the Percy Waller Perpetual Charitable Trust (Trust). The Trust provides for annual distributions of eleven percent of the income earned on the Trust's assets. The donor has placed no restrictions as to the use of the distributions. The Trust is administered by an independent third-party trustee.

The value of the beneficial interest in perpetual trust is recorded at eleven percent of the fair market value of the Trust's assets. The Organization recognized a gain (loss) in the value of this Trust in the amount of $905 and $19,268 for the year ended June 30, 2019 and 2018, respectively.

Other Net Assets With Donor Restrictions
The Organization is the beneficiary of two bequests from estates for which the donor restricted the funds to be held in perpetuity. There are no restrictions placed on the income derived from these funds.

9. EMPLOYER RETIREMENT PLANS

On January 1, 2009, the Organization established a 403(b) plan for its employees. Employer contributions to the Plan are determined annually by the Board of Directors. The Board of Directors approved a revision to the Plan, effective January 1, 2012, which includes an employer match of up to 4% of salary on employee contributions to the Plan. In addition, the Plan includes a service weighted automatic contribution of 3% of salary for employees with up to 10 years of service, and a 5% contribution for employees of over 10 years of service.

A one year waiting period is required for participation in the match and automatic contribution portions of the Plan. During the years ended June 30, 2019 and 2018, the employer contribution was $31,638 and $54,092 respectively.

The Organization had a noncontributory, combination pension and welfare plan available to all employees 21 years of age or older, who completed one year of service. The Plan was a defined benefit plan, which provided benefits that were generally based on years of service and final average salary. The plan was terminated as of June 30, 2016. There were no plan assets as of June 30, 2016 as the plan was terminated and all plan assets were paid to participants. The Board made a resolution to make 11 annual contributions of $6,703 to one employee that hasn't been paid out yet, there are 5 remaining payments to be made as of June 30, 2018. These contributions are the Organization's assets until the employment is terminated. The Organization contributed approximately $6,700 to this Plan for the years ended June 30, 2019 and 2018.

10. ENDOWMENT

The Organization's endowment consists of funds established to provide investment income to be used for fundraising and operating costs so that a higher percentage of donor contributions can be directed to the Community Care Fund. Its endowment includes donor-restricted and board designated endowments. As required by generally accepted accounting principles, net assets associated with endowment funds including funds, designated by the Board of Directors to function as endowments, are classified and reported based on the existence of donor-imposed restrictions.

Endowment net asset composition by fund type as of June 30, 2019 and 2018 is as follows:

	Board Designated	With Donor Restrictions	Total
June 30, 2019:			
Endowment funds	$ 3,351,047	$ 593,693	$ 3,944,740
June 30, 2018:			
Endowment funds	$ 3,075,406	$ 592,788	$ 3,668,194

Changes in endowment net assets for the years ended June 30, 2019 and 2018 are as follows:

Description	Board Designated	With Restrictions	Total
Endowment net assets - July 1, 2017	$ 2,871,347	$ 573,520	$ 3,444,867
Contributions	-	-	-
Net appreciation	204,059	19,268	223,327
Endowment net assets - June 30, 2018	$ 3,075,406	$ 592,788	$ 3,668,194
Net appreciation	275,641	905	276,546
Endowment net assets - June 30, 2019	$ 3,351,047	$ 593,693	$ 3,944,740

Return Objectives and Risk Parameters

Investments of the Board-designated funds are made for the purpose of providing supplemental funding of fundraising and operational activities. The net assets with restrictions are those donor-restricted funds that the Organization must hold in perpetuity.

The Organization recognizes that risk (i.e. the uncertainty of future events), volatility (i.e. the potential for variability of asset values), and the possibility of loss in purchasing power (due to inflation) are present to some degree in all types of investment vehicles. While high levels of risk are to be avoided, the assumption of some risk is warranted in order to allow the investment manager the opportunity to achieve satisfactory long term results consistent with the objectives of the fund.

10. ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives

The Organization has adopted investment and spending policies for endowment assets that attempt to maintain the corpus of the fund while allowing the account to grow in order to provide a resource for occasional funding to programs supported by its endowment. Endowment assets include funds without donor restrictions and those with donor restrictions as of June 30, 2019 and 2018. Under this policy, as approved by the Board of Directors, the endowment assets are invested primarily in stocks (generally targeted at 40-60% of the fund), bonds (38-52%) and commodities (2-8%). No target growth rate is stated or implied by the Organization's investment objectives. Actual investment returns in any given year may vary.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation (see information above) that places a greater emphasis on equity and bond based investments to achieve its long-term return objectives with prudent risk constraints.

Management periodically presents system level initiatives that they feel worthy of Organization support. The Organization's Board reviews these suggestions and appropriates money on occasion for items they deem worthwhile. There is no annual target for expenditures.

The governing board has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on its restricted endowment gifts, beyond the original gift amount, follows the donor's restrictions on the use of the related income (interest and dividends), and income is classified as restricted until appropriated for expenditure. As of June 30, 2019, all income related to net assets with restrictions have been expended consistent with donor intent.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 18, 2019, which is the date these combined financial statements were available to be issued.

UNITED WAY OF THE GREATER CAPITAL REGION, INC.
STATE EMPLOYEES FEDERATED APPEAL

Schedule I

COMBINING SCHEDULE OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Totals for 2018)

	United Way of the Greater Capital Region, Inc.	State Employees Federated Appeal	Eliminations	Total 2019	2018
ASSETS					
Cash and cash equivalents	$ 494,859	$ 312,777	$ -	$ 807,636	$ 1,300,906
Investments	3,800,342	-	-	3,800,342	3,721,247
Pledges receivable, net	1,389,378	417,619	(195,520)	1,611,477	1,707,815
Other receivables	330,098	-	-	330,098	82,502
Prepaid expenses and other assets	49,750	-	-	49,750	38,682
Property and equipment, net	240,711	-	-	240,711	236,786
Beneficial interest in perpetual trust	480,632	-	-	480,632	479,727
	$ 6,785,770	$ 730,396	$ (195,520)	$ 7,320,646	$ 7,567,665
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts payable and accrued expenses	$ 156,562	$ -	$ -	$ 156,562	$ 157,705
Due to affiliated agencies	918,300	195,520	(195,520)	918,300	932,467
Due to designated agencies	515,217	541,183	-	1,056,400	1,291,056
Debt	-	-	-	-	49,463
Total liabilities	1,590,079	736,703	(195,520)	2,131,262	2,430,691
NET ASSETS:					
WITHOUT DONOR RESTRICTIONS					
Undesignated	1,245,874	(6,307)	-	1,239,567	1,463,703
Board designated	3,355,647	-	-	3,355,647	3,080,006
Total without donor restrictions	4,601,521	(6,307)	-	4,595,214	4,543,709
WITH DONOR RESTRICTIONS	594,170	-	-	594,170	593,265
Total net assets	5,195,691	(6,307)	-	5,189,384	5,136,974
	$ 6,785,770	$ 730,396	$ (195,520)	$ 7,320,646	$ 7,567,665

The accompanying notes are an integral part of these schedules.

UNITED WAY OF THE GREATER CAPITAL REGION, INC. AND STATE EMPLOYEES FEDERATED APPEAL

Schedule II

COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Totals for 2018)

	United Way of the Greater Capital Region, Inc.			State Employees Federated Appeal			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Eliminations	Totals	2018
SUPPORT, REVENUE AND GAINS:							
Support							
Contributions received - United Way Campaign	$ 2,961,482	$ -	$ 2,961,482	1,099,022	$ -	$ 4,060,504	$ 4,399,060
Less: Donor designations	(530,145)	-	(530,145)	(889,007)	-	(1,419,152)	(1,219,445)
Allowance for uncollectible pledges	(367,604)	-	(367,604)	(65,101)	-	(432,705)	(787,411)
Subtotal	2,063,733	-	2,063,733	144,914	-	2,208,647	2,392,204
Grants	308,811	-	308,811	-	-	308,811	356,083
Contributed goods and services	206,742	-	206,742	12,512	-	219,254	63,184
Legacies and bequests	28,055	-	28,055	-	-	28,055	19,470
Events	204,625	-	204,625	-	-	204,625	161,642
Total support	2,811,966	-	2,811,966	157,426	-	2,969,392	2,992,583
Revenue and gains							
Federated campaign income	448,115	-	448,115	-	-	448,115	281,056
Donor designated service fees	26,067	-	26,067	-	-	26,067	42,259
Interest and dividends	108,123	-	108,123	34	-	108,157	97,956
Rental revenue	46,400	-	46,400	-	-	46,400	44,581
Gain on investments	114,685	-	114,685	-	-	114,685	131,587
Miscellaneous	-	-	-	9,128	-	9,128	-
Gain on permanently restricted	-	905	905	-	-	905	19,268
Total revenue and gains	743,390	905	744,295	9,162	-	753,457	616,707
Total support, revenue, and gains	3,555,356	905	3,556,261	166,588	-	3,722,849	3,609,290
EXPENSES:							
Program services:							
Community impact	1,934,430	-	1,934,430	-	-	1,934,430	1,351,034
SEFA and CFC	146,519	-	146,519	157,180	-	303,699	452,229
Total program services	2,080,949	-	2,080,949	157,180	-	2,238,129	1,803,263
Supporting services:							
Management and general	420,926	-	420,926	3,318	-	424,244	713,217
Fundraising	995,554	-	995,554	12,512	-	1,008,066	634,446
Total supporting services	1,416,480	-	1,416,480	15,830	-	1,432,310	1,347,663
Total expenses	3,497,429	-	3,497,429	173,010	-	3,670,439	3,150,926
CHANGE IN NET ASSETS	57,927	905	58,832	(6,422)	-	52,410	458,364
NET ASSETS - beginning of year	4,543,594	593,265	5,136,859	115	-	5,136,974	4,678,610
NET ASSETS - end of year	$ 4,601,521	$ 594,170	$ 5,195,691	$ (6,307)	$ -	$ 5,189,384	$ 5,136,974

The accompanying notes are an integral part of these schedules.