Capital Area United Way, Inc.

Years Ended June 30, 2018 and 2017

Financial Statements and Supplemental Information

CAPITAL AREA UNITED WAY, INC.

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INDEPENDENT AUDITORS' REPORT

November 13, 2018

Board of Directors
Capital Area United Way, Inc.
Lansing, Michigan

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

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

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

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

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

Opinion

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

Rehmann Robson LLC

CAPITAL AREA UNITED WAY, INC.

Statements of Financial Position

	June 30	
	2018	**2017**
Assets		
Cash and cash equivalents	$ 1,032,508	$ 1,092,022
Pledges receivable - current campaign, less allowance for uncollectible pledges of $124,287 in 2018 and $169,610 in 2017	1,260,746	1,265,348
Grants and other receivables	29,326	1,023
Prepaid expenses and other assets	59,958	24,430
Beneficial interest in assets held by Community Foundation	2,682,219	2,594,377
Property and equipment, net of accumulated depreciation of $77,242 in 2018 and $71,094 in 2017	39,387	18,109
Total assets	**$ 5,104,144**	**$ 4,995,309**
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	$ 238,264	$ 211,530
Designations payable	582,921	655,224
Agency allocations payable	743,500	758,642
Combined federal campaign payable	-	28,606
Total liabilities	1,564,685	1,654,002
Net assets		
Unrestricted		
Beneficial interest in assets held at Community Foundation	2,682,219	2,594,377
Board designated contingency reserve	576,312	438,579
Net investment in office furniture and equipment	39,387	18,109
Undesignated	236,543	264,114
Total unrestricted	3,534,461	3,315,179
Temporarily restricted	4,998	26,128
Total net assets	3,539,459	3,341,307
Total liabilities and net assets	**$ 5,104,144**	**$ 4,995,309**

The accompanying notes are an integral part of these financial statements.

CAPITAL AREA UNITED WAY, INC.

Statement of Activities and Changes in Net Assets

	Year Ended June 30, 2018		
	Unrestricted	Temporarily Restricted	Total
Revenues, support and gains			
Gross campaign results	$ 3,381,008	$ -	$ 3,381,008
Adjustments related to prior campaign estimates	7,468	-	7,468
Total campaign results	3,388,476	-	3,388,476
Less donor designations	(1,135,708)	-	(1,135,708)
Less provision for uncollectible pledges	(96,024)	-	(96,024)
Net campaign revenue	2,156,744	-	2,156,744
Donor designation fees and reimbursed expenses	191,322	-	191,322
In-kind contributions	131,265	-	131,265
Grant and bequest revenue	320,154	173,583	493,737
Interest income	1,592	-	1,592
Change in beneficial interest	194,435	-	194,435
Miscellaneous income	93,020	-	93,020
Net assets released from restrictions	194,713	(194,713)	-
Total revenues, support and gains	**3,283,245**	**(21,130)**	**3,262,115**
Expenses			
Program services			
Funds allocated to partner agencies	772,851	-	772,851
Agency relations	1,451,750	-	1,451,750
Total program services	2,224,601	-	2,224,601
Supporting services			
Management and general	376,071	-	376,071
Fundraising	463,291	-	463,291
Total supporting services	839,362	-	839,362
Total expenses	**3,063,963**	**-**	**3,063,963**
Change in net assets	219,282	(21,130)	198,152
Net assets, beginning of year	3,315,179	26,128	3,341,307
Net assets, end of year	**$ 3,534,461**	**$ 4,998**	**$ 3,539,459**

The accompanying notes are an integral part of these financial statements.

CAPITAL AREA UNITED WAY, INC.

Statement of Activities and Changes in Net Assets

	Year Ended June 30, 2017		
	Unrestricted	Temporarily Restricted	Total
Revenues, support and gains			
Gross campaign results	$ 3,520,741	$ -	$ 3,520,741
Adjustments related to prior campaign estimates	4,385	-	4,385
Total campaign results	3,525,126	-	3,525,126
Less donor designations	(1,208,993)	-	(1,208,993)
Less provision for uncollectible pledges	(166,838)	-	(166,838)
Net campaign revenue	2,149,295	-	2,149,295
Donor designation fees and reimbursed expenses	214,900	-	214,900
In-kind contributions	141,282	-	141,282
Grant and bequest revenue	214,710	162,822	377,532
Interest income	818	-	818
Change in beneficial interest	297,658	-	297,658
Miscellaneous income	1,107	-	1,107
Contribution received in donation of Eaton County United Way	290,494	-	290,494
Net assets released from restrictions	160,524	(160,524)	-
Total revenues, support and gains	**3,470,788**	**2,298**	**3,473,086**
Expenses			
Program services			
Funds allocated to partner agencies	708,740	-	708,740
Agency relations	1,240,721	-	1,240,721
Total program services	1,949,461	-	1,949,461
Supporting services			
Management and general	314,748	-	314,748
Fundraising	512,640	-	512,640
Total supporting services	827,388	-	827,388
Total expenses	**2,776,849**	**-**	**2,776,849**
Change in net assets	693,939	2,298	696,237
Net assets, beginning of year	2,621,240	23,830	2,645,070
Net assets, end of year	**$ 3,315,179**	**$ 26,128**	**$ 3,341,307**

The accompanying notes are an integral part of these financial statements.

CAPITAL AREA UNITED WAY, INC.

Statements of Functional Expenses

	Year Ended June 30, 2018			
	Program Services	Supporting Services		
	Allocations and Agency Relations	Management and General	Fundraising	Total
Allocations to partner agencies	$ 772,851	$ -	$ -	$ 772,851
Salaries	514,240	252,686	199,730	966,656
Employee health and retirement benefits	134,133	56,303	48,637	239,073
Payroll taxes	41,122	20,207	15,972	77,301
Temporary contract labor	-	2,296	-	2,296
Total salaries and related expenses	**689,495**	**331,492**	**264,339**	**1,285,326**
In-kind media	22,265	-	109,000	131,265
Dues and subscriptions	35,174	6,437	9,198	50,809
Professional fees	22,120	4,048	5,784	31,952
Supplies	10,830	1,982	2,832	15,644
Telephone	6,560	1,200	1,715	9,475
Direct campaign expense	8,108	4,054	28,379	40,541
Postage and shipping	5,091	932	1,331	7,354
Marketing and promotions	9,346	1,710	2,444	13,500
Travel and automobile	5,318	973	1,391	7,682
Conference and training	9,702	1,776	2,537	14,015
Equipment maintenance and rental	46,712	6,718	9,600	63,030
Insurance	8,425	1,542	2,203	12,170
Occupancy	67,913	12,428	17,759	98,100
Community collaborative	500,435	-	-	500,435
Depreciation	4,256	779	1,113	6,148
Other	-	-	3,666	3,666
Total expenses	**$ 2,224,601**	**$ 376,071**	**$ 463,291**	**$ 3,063,963**

The accompanying notes are an integral part of these financial statements.

Year Ended June 30, 2017			
Program Services	Supporting Services		
Allocations and Agency Relations	Management and General	Fundraising	Total
$ 708,740	$ -	$ -	$ 708,740
427,565	224,292	191,462	843,319
130,907	30,840	53,697	215,444
37,480	17,614	17,207	72,301
11,931	-	11,931	23,862
607,883	**272,746**	**274,297**	**1,154,926**
28,730	-	112,552	141,282
48,393	7,649	14,514	70,556
17,913	2,831	5,372	26,116
14,116	2,231	4,234	20,581
5,453	862	1,635	7,950
14,830	7,415	51,904	74,149
6,417	1,014	1,925	9,356
1,393	220	418	2,031
3,899	616	1,169	5,684
5,609	887	1,682	8,178
49,359	6,221	11,804	67,384
8,558	1,353	2,567	12,478
64,748	10,234	19,419	94,401
360,457	-	-	360,457
2,809	444	842	4,095
154	25	8,306	8,485
$ 1,949,461	**$ 314,748**	**$ 512,640**	**$ 2,776,849**

CAPITAL AREA UNITED WAY, INC.

Statements of Cash Flows

	Year Ended June 30	
	2018	2017
Cash flows from operating activities		
Change in net assets	$ 198,152	$ 696,237
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,148	4,095
Change in beneficial interest in assets held by Community Foundation	(194,435)	(297,658)
Provision for uncollectible pledges	96,024	166,838
Non-cash portion of donated entity	-	(16,482)
Changes in operating assets and liabilities which provided (used) cash, net of effects from donated entity:		
Pledges receivable	(91,422)	(89,023)
Grants and other receivables	(28,303)	60,866
Prepaid expenses and other assets	(35,528)	45
Accounts payable and accrued liabilities	26,734	(93,100)
Designations payable	(72,303)	134,738
Agency allocations payable	(15,142)	(14,562)
Combined federal campaign payable	(28,606)	(9,585)
Net cash (used in) provided by operating activities	**(138,681)**	**542,409**
Cash flows provided by investing activities		
Distributions from beneficial interest in assets held by Community Foundation	106,593	111,725
Purchases of property and equipment	(27,426)	(7,543)
Net cash provided by investing activities	**79,167**	**104,182**
Net (decrease) increase in cash and cash equivalents	**(59,514)**	**646,591**
Cash and cash equivalents, beginning of year	1,092,022	445,431
Cash and cash equivalents, end of year	**$ 1,032,508**	**$ 1,092,022**

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Capital Area United Way, Inc. (the "Organization") is a 501(c)(3) not-for-profit corporation that ensures health and human resources exist locally in the arena of: 1) Health, 2) Financial Stability, and 3) Education. The Organization unites people and resources to solve defined problems and improve the quality of life for individuals and families in our community.

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recorded when incurred. The accompanying statements of financial position present the Organization's assets and liabilities in order of liquidity.

The Organization has classified information regarding its financial position and activities according to three classes of net assets depending on the existence or absence of donor-imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets represent expendable funds currently available at the discretion of the Board of Directors for support of Organization operations. Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose depending on the presence and characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity. Earnings, gains, or losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or law. The Organization had temporarily restricted net assets of $4,998 and no permanently restricted net assets as of June 30, 2018. The Organization had temporarily restricted net assets of $26,128 and no permanently restricted net assets as of June 30, 2017.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates include but are not limited to the allowance for uncollectible pledges.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks and cash on hand. The Organization maintains demand deposits in financial institutions which may at times exceed federally insured amounts. Management does not consider these concentrations to be a significant credit risk.

Fair Value Measurements

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

A description of each category in the fair value hierarchy is as follows:

Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

For a further discussion of fair value measurements, refer to Note 2 to the financial statements.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met. All promises to give to the Organization are expected to be collected within one year.

Generally, the Organization initiates its “current period campaign” in September of each year and each such campaign is principally associated with the subsequent calendar year. All pledges received relating to the current campaign are recognized as “pledges receivable - current campaign” and cash received from the prior campaign period is applied against “pledges receivable - previous campaign.”

The Organization is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Credit risk with respect to pledges receivable is minimal due to the large number of individual pledges and their dispersion among individuals employed across different industry segments. The Organization establishes an allowance for uncollectible pledges based in part on prior collection history relating to the three-prior year’s campaign.

Property and Equipment and Depreciation

Office furniture and equipment purchases are recorded at cost. Donated office furniture and equipment are recorded at fair value at date of receipt. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets, which range generally from 3 to 15 years. Depreciation of these assets was $6,148 and $4,095 for 2018 and 2017, respectively.

Designations and Agency Allocations Payable

Designations payable represent unpaid designations as of June 30, 2018 and 2017, net of a reserve for uncollectible pledges. Certain designations payable are also reported net of an administration fee of 15.5% in 2018 and 2017. The Organization pays allocations related to each campaign based on a 12-month disbursement period. Agency allocations payable represent unpaid allocations as of June 30, 2018 and 2017.

Combined Federal Campaign Payable

Combined federal campaign payable amounts have been pledged by local federal employees and are payable to nonprofit organizations designated by the federal employees.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (for example, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. The current campaign contributions were unrestricted for the years ended June 30, 2018 and 2017.

The Organization allows donors to designate contributions to be provided to specific participating or nonparticipating agencies at the donors' discretion. In such instances, the Organization does not retain variance power; donor-designated contributions of this nature are recorded as agency transactions and are reflected as designations payable.

Functional Allocation of Expenses

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

Federal Income Taxes

The Organization is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Although the Organization was granted income tax exemption by the Internal Revenue Service, such exemption does not apply to “unrelated business taxable income.” Such income, pursuant to the Internal Revenue Code and related regulations, includes investment income. The Organization has been classified as not a private foundation.

The Organization analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions, to identify potential uncertain tax positions. The Organization treats interest and penalties attributable to income taxes, and reflects any charges for such, to the extent they arise, as a component of its management and general expenses.

The Organization has evaluated its income tax filing positions for fiscal years 2015 through 2018, the years which remain subject to examination as of June 30, 2018. The Organization concluded that there are no significant uncertain tax positions requiring recognition in the Organization’s financial statements. The Organization does not expect the total amount of unrecognized tax benefits (“UTB”) (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTBs at June 30, 2018 or 2017, and is not aware of any claims for such amounts by federal or state income tax authorities.

Upcoming Accounting Pronouncements

In August 2016, The Financial Accounting Standards Board issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which will be effective for the Organization’s annual financial statements for the year ending June 30, 2019. This ASU 1) reduces the number of net asset classes presented from three to two; (2) modifies the presentation of underwater endowment funds and related disclosures; (3) requires enhanced disclosures concerning board designated net assets; (4) requires quantitative and qualitative disclosures about liquidity and availability of financial assets; and (5) requires the presentation of investment return net of external and direct internal investment expenses. Management has evaluated the provisions of ASU 2016-14 and has determined that the presentation of the financial statements will need to be modified as required by the ASU.

Reclassification

Certain amounts as reported in the 2017 financial statements have been reclassified to conform with the 2018 presentation.

Subsequent Events

In preparing these financial statements, Organization management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to June 30, 2018, the most recent statement of financial position presented herein, through November 13, 2018, the date these financial statements were available to be issued. No such subsequent events were identified.

2. BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

Beneficial interest in assets held by community foundation consists of four funds held by the Capital Region Community Foundation. These funds were established by the Organization for the benefit of the Organization primarily from proceeds received on the 1999 sale of an office building occupied by the Organization. The Organization receives annual payouts from the funds based on a payout rate, equal to 5.0 percent of the quarter ended values for the twelve previous quarters for the years ended June 30, 2018 and 2017. Assets held by Capital Region Community Foundation for the benefit of the Organization that do not meet the recognition criteria for recording on the Organization's statement of financial position were approximately $80,000 and $75,000 at June 30, 2018 and 2017, respectively.

The Organization utilizes fair value measurements to record fair value adjustments to beneficial interest in assets held by community foundation and to determine fair value disclosures. Beneficial interest in assets held by community foundation is recorded at fair value on a recurring basis.

Following is a description of the valuation methodology and key inputs used to measure beneficial interest in assets held by community foundation recorded at fair value:

> *Beneficial interest in assets held by community foundation:* The Organization is allocated its portion of the total fair values of the underlying securities held by the Foundation (Level 3 inputs) as a practical expedient. The underlying investment securities held by the Foundation have fair values that are determined using quoted prices for identical instruments traded in active markets.

The preceding method described may produce a fair value calculation that may not be reflective of future fair values. Furthermore, although the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of this asset could result in a different fair value measurement at the reporting date.

Notes to Financial Statements

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the beneficial interest in assets held by community foundation for the years ended June 30:

	2018	2017
Beginning of year	$ 2,594,377	$ 2,388,549
Investment earnings	209,362	312,437
Contributions	-	19,895
Distributions	(106,593)	(111,725)
Administrative expenses	(14,927)	(14,779)
End of year	**$ 2,682,219**	**$ 2,594,377**

3. DEBT

In January 2017, the Organization extended its revolving line-of-credit agreement with a bank which provides for borrowing availability of $250,000. The line-of-credit is collateralized by substantially all assets of the Organization. Interest is charged at prime plus 0.5% (effective rate of 5.5% at June 30, 2018). As of June 30, 2018, and 2017, the Organization did not have any outstanding draws on this line-of-credit agreement. The lending commitment expires in March 2019.

4. UNRESTRICTED AND TEMPORARILY RESTRICTED NET ASSETS

Unrestricted net assets of $3,534,461 and $3,315,179 at June 30, 2018 and 2017, respectively, include assets held at Capital Region Community Foundation of $2,682,219 and $2,594,377 at June 30, 2018 and 2017, respectively. These assets are board-appropriated and subject to withdrawal restrictions. Unrestricted net assets as of June 30, 2018 and 2017, also include board-appropriated cash of $576,312 and $438,579, respectively, to establish a contingency reserve. Temporarily restricted net assets as of June 30, 2018 and 2017, represent funds received to be used on behalf of Capital Area College Access Network.

5. IN-KIND CONTRIBUTIONS

Donated services rendered by various advertising and media agencies are valued based upon average standard fees normally charged for such services. All donated services are recognized in the Organization's statements of activities and changes in net assets as both revenue and expense. Total donated services recorded for the years ended June 30, 2018 and 2017, were $131,265 and $141,282 respectively. The expenses are recorded as in-kind media expense.

More than 900 local volunteers participate in various aspects of the Organization's operations and decision making each year. A substantial number of hours, for which no value has been assigned or recognized, were volunteered by employees of local companies serving on various committees or participating in the Organization's loaned associates and loaned executives program. Volunteers also assist the Organization during the annual campaign.

6. ADMINISTRATIVE FEES

The Organization charges certain agencies and other organizations an administrative fee (donor designation fees) of 15.5% of gross designations for fiscal 2018 and 2017. This fee is used to offset fundraising and handling costs. These fees totaled $155,892 and $181,327 for the years ended June 30, 2018 and 2017, respectively.

7. UNITED WAY WORLDWIDE

The Organization is a separate and autonomous organization from United Way Worldwide. The Organization incurred dues of $30,500 and $49,450 to United Way Worldwide for the years ended June 30, 2018 and 2017, respectively, in support of services provided to the Organization.

8. OPERATING LEASES

The Organization has entered into a noncancelable operating lease agreement for the rental of office space through October 2026. Future minimum lease payments under such lease agreement are summarized as follows for each of the fiscal years succeeding June 30, 2018 and thereafter:

Year	Amount
2019	$ 96,685
2020	101,021
2021	105,569
2022	107,110
2023	107,110
Thereafter	357,034
Total	**$ 874,529**

Rent expense was approximately $94,000 for the years ended June 30, 2018 and 2017.

Notes to Financial Statements

9. PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

The Organization has a noncontributory defined contribution plan covering substantially all full-time non-represented employees who have completed one year of service and have attained the age of 21. Employees become participants on the first day of the plan year during which the eligibility requirements are met. Each year, the Organization determines the amount, which is discretionary, to contribute to the plan. The Organization contributed $57,938 and $52,886 to this plan for the years ended June 30, 2018 and 2017, respectively.

In accordance with a collective bargaining agreement, the Organization contributes 5 percent of represented employees' wages to individual 403(b) accounts on their behalf. Contributions for the years ended June 30, 2018 and 2017, amounted to $16,835 and $14,714, respectively.

10. COMMITMENT

Certain of the Organization's employees are represented by a labor union pursuant to a collective bargaining agreement. The most recent agreement was ratified by the represented employees and the Organization in September 2017 with an expiration date of June 2020.

11. BUSINESS COMBINATION

On April 11, 2017, the Company acquired certain assets and assumed certain liabilities of Eaton County United Way. No consideration was transferred as part of this acquisition. A contribution of $290,494 was recognized as a result of the acquisition. Accordingly, the results of operations for Eaton County United Way have been included in the accompanying financial statements from that date forward. The acquisition was made for the purpose of improving the wellbeing of residents in the tri-county region.

The following assets and liabilities were recognized in the acquisition (at fair value):

Cash	$ 274,012
Pledges receivable	66,125
Beneficial interest	19,895
Other assets	8,568
Designations payable	(11,325)
Allocations payable	(66,781)
Net assets acquired	**$ 290,494**

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INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION

November 13, 2018

Board of Directors
Capital Area United Way, Inc.
Lansing, Michigan

We have audited the financial statements of ***Capital Area United Way, Inc.*** as of and for the year ended June 30, 2018 and our report thereon dated November 13, 2018, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the 2018 financial statements as a whole. The supplemental information included in the accompanying schedules is presented for purposes of additional analysis and is not a required part of the 2018 financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the 2018 financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Rehmann Robson LLC

SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED
JUNE 30, 2018

CAPITAL AREA UNITED WAY, INC.

Schedule of Allocations to Partner Agencies

(Accrual Basis)
For the Year Ended June 30, 2018

Allen Neighborhood Center	$	4,000
Big Brothers Big Sisters - Michigan Capital Region		14,700
Boys and Girls Club of Lansing		57,525
Capital Area Literacy Coalition		56,800
Care Free Medical, Inc.		18,750
CASA for Kids Inc. Barry and Eaton Counties		2,000
Child and Family Charities		76,475
Cristo Rey Community Center		52,000
Eaton Community Palliative Care		5,000
EVE (End Violent Encounters)		42,500
Expectant Parents Organization		6,000
Grand Ledge Community Fund		267
Haven House		39,000
Highfields, Inc.		1,250
Information Technology Empowerment Center		23,400
Legal Services of South Central Michigan		25,500
Mason Area Community Fund		25,693
MSU Safe Place		4,000
Mid-Michigan Recovery Services		14,000
NorthWest Lansing Healthy Communities Initiative		17,000
REACH Studio Art Center		9,000
Refugee Development Center		19,500
Resolution Services Center of Central Michigan		25,100
SafeCenter		19,875
SIREN/Eaton Shelter		8,500
St. Vincent Catholic Charities		27,500
Stockbridge Community Fund		3,391
The Salvation Army - Capital Area		26,125
Volunteers of America Michigan		94,500
CASA For Kids, Inc.		5,500
Crosswalk Teen Center		4,000
Eaton Clothing and Furniture Center		4,000
Eaton Community Palliative Care		10,000
Housing Services of Mid-Michigan		11,000
Mobile Meals of Charlotte		4,500
SIREN/Eaton Shelter		14,500
Total allocations to partner agencies	**$**	**772,851**