UNITED WAY OF MISSOULA COUNTY

AUDITED FINANCIAL STATEMENTS
For The Years Ended
December 31, 2017 and 2016
TABLE OF CONTENTS

Independent Auditor’s Report ..................................................... 1 and 2

Financial Statements

  Statements of Financial Position .............................................. 3
  Statements of Activities ......................................................... 4 and 5
  Statements of Functional Expenses ......................................... 6 and 7
  Statements of Cash Flows ....................................................... 8 and 9
  Notes to the Financial Statements ........................................... 10 to 25

Supplemental Information

  Schedule of 2017 Campaign Revenue ...................................... 26
INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
United Way of Missoula County
Missoula, Montana

We have audited the accompanying financial statements of United Way of Missoula County (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Missoula County as of December 31, 2017 and 2016, 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.

Emphasis of Matter
As discussed in Note 12 to the financial statements, the 2016 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matter
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of 2017 Campaign Revenue on page 26 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Randall & Company, P.C.
Missoula, Montana
November 28, 2018
FINANCIAL STATEMENTS
# UNITED WAY OF MISSOULA COUNTY

## STATEMENTS OF FINANCIAL POSITION

As of December 31, 2017 and 2016

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2017</th>
<th>Restated 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$170,748</td>
<td>$64,436</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>25,612</td>
<td>23,924</td>
</tr>
<tr>
<td>Contributions receivable, net</td>
<td>257,017</td>
<td>214,159</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>13,306</td>
<td>7,341</td>
</tr>
<tr>
<td>Funds held in trust</td>
<td>26,022</td>
<td>21,914</td>
</tr>
<tr>
<td>Investments</td>
<td>407,509</td>
<td>298,590</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>368,540</td>
<td>376,245</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>532,707</td>
<td>527,417</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$1,801,461</strong></td>
<td><strong>$1,534,026</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th>2017</th>
<th>Restated 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$11,469</td>
<td>$21,936</td>
</tr>
<tr>
<td>Accrued payroll and payroll taxes</td>
<td>1,073</td>
<td>1,241</td>
</tr>
<tr>
<td>Designations to agencies</td>
<td>18,740</td>
<td>21,279</td>
</tr>
<tr>
<td>Security deposits</td>
<td>500</td>
<td>2,790</td>
</tr>
<tr>
<td>Funds held in trust liability</td>
<td>19,489</td>
<td>17,725</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>15,263</td>
<td>7,917</td>
</tr>
<tr>
<td>Deferred annuity payable</td>
<td>1,144</td>
<td>1,144</td>
</tr>
<tr>
<td>Mortgage payable</td>
<td>328,199</td>
<td>337,915</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$395,877</strong></td>
<td><strong>$411,947</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>NET ASSETS</strong></th>
<th>2017</th>
<th>Restated 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$406,695</td>
<td>$209,722</td>
</tr>
<tr>
<td>Board designated</td>
<td>62,852</td>
<td>170,781</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>$1,405,584</strong></td>
<td><strong>$1,122,079</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Total Liabilities and Net Assets</strong></th>
<th>2017</th>
<th>Restated 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$1,801,461</strong></td>
<td><strong>$1,534,026</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
UNITED WAY OF MISSOULA COUNTY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

The accompanying notes are an integral part of this financial statement.

<table>
<thead>
<tr>
<th>REVENUE AND SUPPORT</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$ 633,705</td>
<td>$ 435,906</td>
<td>$ 5,290</td>
<td>$ 1,074,901</td>
</tr>
<tr>
<td>Investment income</td>
<td>118,218</td>
<td>0</td>
<td>0</td>
<td>118,218</td>
</tr>
<tr>
<td>Contract services</td>
<td>35,000</td>
<td>0</td>
<td>0</td>
<td>35,000</td>
</tr>
<tr>
<td>Sponsorship Income</td>
<td>27,700</td>
<td>0</td>
<td>0</td>
<td>27,700</td>
</tr>
<tr>
<td>Administrative fee income</td>
<td>3,232</td>
<td>0</td>
<td>0</td>
<td>3,232</td>
</tr>
<tr>
<td>Rental income</td>
<td>14,475</td>
<td>0</td>
<td>0</td>
<td>14,475</td>
</tr>
<tr>
<td>Other Income</td>
<td>8,075</td>
<td>0</td>
<td>0</td>
<td>8,075</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE AND SUPPORT</strong></td>
<td><strong>840,405</strong></td>
<td><strong>435,906</strong></td>
<td><strong>5,290</strong></td>
<td><strong>1,281,601</strong></td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>246,735</td>
<td>(246,735)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td><strong>89,044</strong></td>
<td>189,171</td>
<td>5,290</td>
<td>283,505</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>$ 719,116</td>
<td>0</td>
<td>0</td>
<td>$ 719,116</td>
</tr>
<tr>
<td>Management and general</td>
<td>185,987</td>
<td>0</td>
<td>0</td>
<td>185,987</td>
</tr>
<tr>
<td>Fundraising</td>
<td>92,993</td>
<td>0</td>
<td>0</td>
<td>92,993</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$ 998,096</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>$ 998,096</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>380,503</td>
<td>214,159</td>
<td>527,417</td>
<td>1,122,079</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 469,547</td>
<td>$ 403,330</td>
<td>$ 532,707</td>
<td>$ 1,405,584</td>
</tr>
</tbody>
</table>
UNITED WAY OF MISSOULA COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016 - Restated

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$ 589,554</td>
<td>$ 214,159</td>
<td>$ 5,000</td>
</tr>
<tr>
<td>Investment income</td>
<td>51,972</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Contract services</td>
<td>70,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Grant Revenues</td>
<td>15,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Administrative fee income</td>
<td>2,863</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bad debt recovery</td>
<td>7,977</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Rental income</td>
<td>13,436</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Workshop fees and dues</td>
<td>471</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE AND SUPPORT</strong></td>
<td>751,273</td>
<td>214,159</td>
<td>5,000</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>328,098</td>
<td>(328,098)</td>
<td>0</td>
</tr>
<tr>
<td><strong>$ 1,079,371</strong></td>
<td>$(113,939)</td>
<td>$ 5,000</td>
<td><strong>$ 970,432</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>$ 706,643</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Management and general</td>
<td>173,198</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fundraising</td>
<td>86,600</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$ 966,441</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>112,930</td>
<td>(113,939)</td>
<td>5,000</td>
</tr>
</tbody>
</table>

**NET ASSETS**

| Beginning of year | 267,573 | 328,098 | 522,417 | 1,118,088 |
| End of year | $ 380,503 | $ 214,159 | $ 527,417 | **$ 1,122,079** |

The accompanying notes are an integral part of this financial statement.
## UNITED WAY OF MISSOULA COUNTY

### STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2017

The accompanying notes are an integral part of this financial statement.

<table>
<thead>
<tr>
<th>Expense Description</th>
<th>Program Services</th>
<th>Management &amp; General</th>
<th>Fund-Raising</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community grants</td>
<td>$244,765</td>
<td>$0</td>
<td>$0</td>
<td>$244,765</td>
</tr>
<tr>
<td>Special Project Payments</td>
<td>73,376</td>
<td>0</td>
<td>0</td>
<td>73,376</td>
</tr>
<tr>
<td>Uncollectible contributions receivable</td>
<td>60,000</td>
<td>0</td>
<td>0</td>
<td>60,000</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>188,681</td>
<td>102,917</td>
<td>51,459</td>
<td>343,057</td>
</tr>
<tr>
<td>Payroll taxes and workers compensation</td>
<td>16,145</td>
<td>8,807</td>
<td>4,403</td>
<td>29,355</td>
</tr>
<tr>
<td>Health insurance, retirement, and HSA</td>
<td>24,801</td>
<td>13,528</td>
<td>6,764</td>
<td>45,093</td>
</tr>
<tr>
<td>Marketing</td>
<td>37,350</td>
<td>20,373</td>
<td>10,186</td>
<td>67,909</td>
</tr>
<tr>
<td>Occupancy</td>
<td>12,552</td>
<td>6,846</td>
<td>3,423</td>
<td>22,821</td>
</tr>
<tr>
<td>Office costs</td>
<td>9,237</td>
<td>5,038</td>
<td>2,519</td>
<td>16,794</td>
</tr>
<tr>
<td>Professional fees</td>
<td>21,053</td>
<td>11,484</td>
<td>5,742</td>
<td>38,279</td>
</tr>
<tr>
<td>Equipment rental and maintenance</td>
<td>1,423</td>
<td>776</td>
<td>388</td>
<td>2,587</td>
</tr>
<tr>
<td>United Way Worldwide</td>
<td>5,396</td>
<td>2,943</td>
<td>1,472</td>
<td>9,811</td>
</tr>
<tr>
<td>Travel and training</td>
<td>7,014</td>
<td>3,826</td>
<td>1,913</td>
<td>12,753</td>
</tr>
<tr>
<td>Insurance</td>
<td>2,169</td>
<td>1,183</td>
<td>591</td>
<td>3,943</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,891</td>
<td>2,668</td>
<td>1,334</td>
<td>8,893</td>
</tr>
<tr>
<td>Interest</td>
<td>10,263</td>
<td>5,598</td>
<td>2,799</td>
<td>18,660</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$719,116</strong></td>
<td><strong>$185,987</strong></td>
<td><strong>$92,993</strong></td>
<td><strong>$998,096</strong></td>
</tr>
</tbody>
</table>

72.05% 18.63% 9.32% 100.00%
UNITED WAY OF MISSOULA COUNTY

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2016

<table>
<thead>
<tr>
<th>Expense Description</th>
<th>Program Services</th>
<th>Management &amp; General</th>
<th>Fund-Raising</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community grants</td>
<td>$ 329,117</td>
<td>$ 0</td>
<td>$ 0</td>
<td>$ 329,117</td>
</tr>
<tr>
<td>Uncollectible contributions receivable</td>
<td>60,000</td>
<td>0</td>
<td>0</td>
<td>60,000</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>171,086</td>
<td>93,320</td>
<td>46,660</td>
<td>311,066</td>
</tr>
<tr>
<td>Payroll taxes and workers compensation</td>
<td>14,872</td>
<td>8,112</td>
<td>4,056</td>
<td>27,040</td>
</tr>
<tr>
<td>Health insurance, retirement, and HSA</td>
<td>22,584</td>
<td>12,319</td>
<td>6,159</td>
<td>41,062</td>
</tr>
<tr>
<td>Marketing</td>
<td>37,578</td>
<td>20,497</td>
<td>10,249</td>
<td>68,324</td>
</tr>
<tr>
<td>Occupancy</td>
<td>11,743</td>
<td>6,405</td>
<td>3,203</td>
<td>21,351</td>
</tr>
<tr>
<td>Office costs</td>
<td>8,071</td>
<td>4,403</td>
<td>2,201</td>
<td>14,675</td>
</tr>
<tr>
<td>Professional fees</td>
<td>17,396</td>
<td>9,489</td>
<td>4,744</td>
<td>31,629</td>
</tr>
<tr>
<td>Equipment rental and maintenance</td>
<td>879</td>
<td>480</td>
<td>240</td>
<td>1,599</td>
</tr>
<tr>
<td>United Way Worldwide</td>
<td>5,908</td>
<td>3,222</td>
<td>1,611</td>
<td>10,741</td>
</tr>
<tr>
<td>Travel and training</td>
<td>9,310</td>
<td>5,078</td>
<td>2,540</td>
<td>16,928</td>
</tr>
<tr>
<td>Insurance</td>
<td>2,028</td>
<td>1,107</td>
<td>553</td>
<td>3,688</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,130</td>
<td>2,798</td>
<td>1,400</td>
<td>9,328</td>
</tr>
<tr>
<td>Interest</td>
<td>10,941</td>
<td>5,968</td>
<td>2,984</td>
<td>19,893</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$ 706,643</strong></td>
<td><strong>$ 173,198</strong></td>
<td><strong>$ 86,600</strong></td>
<td><strong>$ 966,441</strong></td>
</tr>
</tbody>
</table>

|                  | 73.12%           | 17.92%               | 8.96%        | 100.00%   |

The accompanying notes are an integral part of this financial statement.
UNITED WAY OF MISSOULA COUNTY

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2017 and 2016

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>Restated 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ 283,505</td>
<td>$ 3,991</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>8,893</td>
<td>9,328</td>
</tr>
<tr>
<td>Net realized and unrealized (gain) loss on investment</td>
<td>(87,643)</td>
<td>(32,372)</td>
</tr>
<tr>
<td>Allowance for uncollectible accounts</td>
<td>16,679</td>
<td>0</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(1,688)</td>
<td>(4,688)</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>(59,537)</td>
<td>113,939</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(5,965)</td>
<td>(5,257)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(10,467)</td>
<td>17,185</td>
</tr>
<tr>
<td>Accrued payroll and payroll taxes</td>
<td>(168)</td>
<td>(119)</td>
</tr>
<tr>
<td>Designations to agencies</td>
<td>(2,539)</td>
<td>(37,736)</td>
</tr>
<tr>
<td>Funds held in trust</td>
<td>(2,344)</td>
<td>(3,037)</td>
</tr>
<tr>
<td>Security deposits</td>
<td>(2,290)</td>
<td>2,290</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>7,346</td>
<td>(10,748)</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>(139,723)</td>
<td>48,785</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>$ 143,782</td>
<td>$ 52,776</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Activity</th>
<th>2017</th>
<th>Restated 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received from sale of investments</td>
<td>$9,299</td>
<td>$42,853</td>
</tr>
<tr>
<td>Cash paid for the purchase of investments</td>
<td>(35,865)</td>
<td>(59,217)</td>
</tr>
<tr>
<td>Cash paid for the purchase of fixed assets</td>
<td>(1,188)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net cash flows from investing activities</strong></td>
<td>$ (27,754)</td>
<td>$ (16,364)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Activity</th>
<th>2017</th>
<th>Restated 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received from advances on line of credit</td>
<td>$85,000</td>
<td>$180,954</td>
</tr>
<tr>
<td>Cash paid for repayments to the line of credit</td>
<td>(85,000)</td>
<td>(218,751)</td>
</tr>
<tr>
<td>Cash paid for repayment of mortgage payable</td>
<td>(9,716)</td>
<td>(9,239)</td>
</tr>
<tr>
<td><strong>Net cash flows from financing activities</strong></td>
<td>$ (9,716)</td>
<td>$ (47,036)</td>
</tr>
</tbody>
</table>

Net change in cash and cash equivalents: 106,312 (10,624)

CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th>Time</th>
<th>2017</th>
<th>Restated 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>64,436</td>
<td>75,060</td>
</tr>
<tr>
<td>End of year</td>
<td>$170,748</td>
<td>$64,436</td>
</tr>
</tbody>
</table>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

<table>
<thead>
<tr>
<th>Activity</th>
<th>2017</th>
<th>Restated 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for interest</td>
<td>$18,660</td>
<td>$19,893</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization
United Way of Missoula County (United Way), founded in 1931, is a nonprofit corporation under Internal Revenue Code 501(c)(3), located in Missoula, Montana. United Way builds a better community by improving lives and creating lasting changes in community conditions. The organization accomplishes this by bringing people together to identify problems and craft creative, lasting solutions that improve outcomes in the areas of education, financial stability, and health.

Through broad-based, results-oriented collaborations with other nonprofits, donors, businesses, the University of Montana, local and county government, the school district, the faith community and other diverse partners, United Way drives progress in implementing solutions to identified priorities in its three areas of focus. United Way also serves as a conduit for donors who desire a trusted, one-stop way to invest in high-quality programs that produce measurable results, ensuring that charitable dollars are spent wisely and well in the community. Current initiatives in which United Way plays a leadership role in terms of visioning, convening, funding, staffing, and in-kind assistance include the following:

EDUCATION: Missoula Early Childhood Collective Impact Initiative (improving outcomes for families and kids ages 0-5); Dolly Parton’s Imagination Library (free book-gifting program that promotes kindergarten readiness); Graduation Matters Missoula (various initiatives advancing student success); the Back to School Bash (annual school-supply drive).

FINANCIAL STABILITY: Reaching Home: Missoula’s 10-Year Plan to End Homelessness. For its first five years, Reaching Home was housed at and staffed by United Way; in 2017, the program was transferred to the City of Missoula, to provide the initiative with additional funding and other resources. United Way remains the plan’s principal private-sector fundraiser and advocate.

HEALTH: Let’s Move! Missoula and 5-2-1-0 (childhood obesity prevention by encouraging increased physical activity and healthy eating); Project Tomorrow Montana (suicide prevention)
NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Organization, Continued
United Way also provides grant funding to carefully screened and qualified nonprofit organizations in Missoula and Ravalli counties whose work aligns demonstrably with the goals of the above education, financial stability and health initiatives. Each initiative has its own advisory board of local volunteers with expertise in the respective initiative areas. Funding decisions are made collaboratively by United Way staff, members of the Community Impact and Administrative committees, and the board of directors. Funded programs comply with certain mutually agreed-upon conditions, spelled out in written memoranda of understanding, and results are evaluated by United Way, in order to ensure that donor dollars are invested wisely and well.

Fifteen members serve on United Way’s board of directors, providing oversight and guidance to the CEO, and ensuring high standards of financial and programmatic excellence. As a member in good standing of United Way Worldwide, the world’s largest privately supported nonprofit organization, United Way of Missoula County annually must demonstrate compliance with rigorous standards in the areas of fiscal oversight, governance, management, fundraising, recordkeeping, and donor stewardship.

United Way’s board of directors also includes several committees. The Administrative Committee ensures careful stewardship of financial resources, including oversight of the organization’s permanent endowment. The Community Impact Committee, which also includes non-board members, supports United Way’s community-building work by identifying and developing strategies (including grant funding) to address Missoula County’s most pressing needs in the areas of education, financial stability, and health. This committee, with staff, also evaluates the results and impact of supported activities.

The Audit Committee ensures sound financial oversight by overseeing the annual audit process with an independent auditor and management. Comprising members with financial expertise, the committee selects, reviews, and evaluates the performance of independent auditors and staff members with audit responsibilities; reviews the annual financial statements (audit report, notes, schedules); provides an avenue of communication between independent auditors, management, and the Board of Directors; and oversees the integrity and adequacy of the financial accounting processes and internal controls.

The Development Committee designs and executes year-round marketing and fundraising efforts, with an emphasis on corporate and workplace campaigns, major gifts and planned giving.
NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Organization, Continued

STAND for United Way (Serve, Team up, Advance, Network and Develop) is the United Way’s young leaders group. It provides opportunities for learning, career and skills development, networking, recognition, service and civic engagement for business and community leaders ages 25-40.

United Way also administers The Fund for Ravalli County, an internally designated fund to benefit qualified nonprofit organizations serving Ravalli County.

Under the guidance of the board of directors, and via formal memoranda of understanding, United Way also serves as the fiscal sponsor of three programs: Missoula Nonprofit Network, which provides training and networking opportunities to members of Missoula’s diverse nonprofit community; Volunteer Missoula, a web-based platform that links people with volunteer opportunities at member nonprofit organizations; and Missoula Youth Philanthropy Club, which educates and empowers the next generation of philanthropists. United Way’s CEO and Collective Impact and Initiatives Manager staff these efforts; the CEO serves on the advisory boards of each.

B. Basis of Accounting

United Way’s financial statements have been prepared on the accrual basis of accounting and are presented in accordance with accounting principles generally accepted in the United States of America (GAAP), as codified by the Financial Accounting Standards Board.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, the United Way considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

From time to time, certain bank accounts that are subject to coverage by the Federal Deposit Insurance Corporation (FDIC) may exceed their insured limits. At December 31, 2017 and 2016, the United Way’s bank accounts were fully insured by the FDIC. Accordingly, the United Way does not believe it is exposed to any significant credit risk on its cash balances.
NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Accounts Receivable and Contributions Receivable
Accounts receivable represent amounts owed to the United Way for reimbursements of costs from the Combined Federal Campaign and other organizations and are stated at unpaid balances. All amounts are considered collectible by management. Therefore, no allowance was made for 2017 and 2016. Due to inherent uncertainties in estimated the allowance for uncollectible accounts; it is at least reasonably possible that this estimate could change in the near term. Accounts receivable are considered impaired if payments are not received in accordance with terms of agreements. It is the United Way’s policy to write off accounts receivable when management determined they will not be collected. At December 31, 2017 and 2016, all receivables were current. Interest is not charged on accounts receivable.

Contributions receivable represent unconditional promises to give through written agreements to contribute cash or other assets to the United Way. These promises to give (pledges) are reported as contribution revenue and receivables even if the promise is legally unenforceable. Unconditional promises to give are reported at unpaid principal balances less an allowance account of $76,679 and $60,000 for December 31, 2017 and 2016, respectively. Management determines the allowance account based on historical collection percentages, an evaluation of individual contributions receivable, and consideration of economic conditions, among other factors. Due to inherent uncertainties in estimated the allowance for uncollectible accounts receivable, it is at least reasonably possible that this estimate could change in the near term.

E. Investments
Investments are reported at fair value using the market approach. Investments consist primarily of mutual funds. Increases or decreases in fair value are recognized in the current period as investment gains or losses. Investment income includes interest, dividends, and realized and unrealized gains and losses. The United Way’s investment values are determined using either Level 1 inputs or Level 2 inputs. Level 1 inputs are quoted prices in active markets for identical assets as of the measurement date. Level 2 inputs are quoted priced in active markets for similar assets that are observable through the measurement date. Investments are classified as available-for-sale investments.

The United Way’s investment in securities is exposed to various risks, such as interest rate, credit, and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the financial statements.
NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Property and Equipment
Property and equipment are recorded at cost when purchased or at fair value if donated. Generally, repairs and maintenance are expensed as incurred and purchases and betterments with a useful life of three years or more (regardless of cost) are capitalized. Capitalized assets are depreciated on a straight-line basis over the estimated useful lives ranging from five to thirty nine years. Property and equipment is reported net of accumulated depreciation.

G. Compensated Absences
United Way’s employees are entitled to paid time off depending on the length of employment, hours worked, and other factors after a thirty day probation period. Vacation leave earned ranges from 80 hours to 200 hours depending on the number of years of service. Vacation is paid out at the current employees’ rate of pay upon termination. The United Way records an expense for vacation leave as it is paid.

Sick leave is accrued at up to 8 hours per month from the date of hire and may be carried over year to year. Sick leave is not paid out to the employee upon leaving the United Way.

H. Deferred Gift Annuity
The United Way was the recipient of a deferred gift annuity to their endowment and was recorded at fair market value. The annuity amount will be distributed to the donors in annual installments beginning November 2041. The present value of the future annuity payments is recorded as a liability using a discount rate of 4.6% and standard actuarial tables for remaining lives of donors and beneficiaries, with the difference recorded as contribution revenue. The changes in the fair market value of the gift annuity are recognized as changes in the value of the annuity agreement at year-end. The deferred gift annuity is classified as permanently restricted net assets.

I. Net Asset Classification
The United Way classifies contributions as unrestricted, temporarily restricted, or permanently restricted net assets in accordance with donor restrictions.

Unrestricted net assets generally have no donor-imposed restrictions and are used to benefit the community at the discretion of the United Way’s board of directors and for internal operations and administration. The board has designated certain funds for reserves or use in future period totaling $62,852 and $170,781 at December 31, 2017 and 2016, respectively.
NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Net Asset Classification, continued
Temporarily restricted net assets include gifts restricted by the donor as to purpose or time. When the donor-restriction expires by either the passage of time or purpose restriction being accomplished, temporarily restricted net assets are accounted for and reported in the statement of activities as net assets released from restriction and reclassified as unrestricted net assets. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. Temporarily restricted assets for 2017 and 2016 were comprised primarily of donations pledged in future periods.

Donor-restricted contributions that neither expire by the passage of time nor are fulfilled or otherwise removed by actions of the United Way are classified as permanently restricted. Permanently restricted net assets consist of endowed gifts where donors have specified investment in perpetuity to support the United Way’s mission.

Some donors specify certain recipient organizations for cash donations and promises to give. Because the United Way acts solely as an intermediary, such donations are excluded from the statement of activities and are reflected as custodial funds liability in the statement of financial position until the funds are distributed to the recipient organizations. The United Way assesses a fee on these funds to cover fund-raising costs, management and general costs, and an estimated uncollectible amount based on actual historical costs in accordance with United Way of America Membership Standards as outlined in their publication entitled United Way of America Implementation Requirement for Membership Standard M (Cost Deduction for Designated Funds). Such fees are presented as administrative fee income in the statement of activities. Administrative fees totaled $3,232 and $2,863 for 2017 and 2016, respectively.

J. In-Kind Donations
The United Way seeks and receives volunteer efforts of community members to attain its goals and objections. Donated services meeting the criteria of GAAP for recognition are reported as donated services in the statement of activities with a corresponding expense recorded in program expenses. The value of donated services is determined by the donors at the usual fee they would receive for such services in the normal course of their profession. No amounts are recorded in the statement of activities for donated services for 2017 and 2016.

K. Expense Allocation and Functional Activities
The United Way allocates costs that can be identified specifically with a particular cost objective directly to the benefitting services. Joint costs are allocated to fundraising, management and general, and program activities on the basis of estimated time identifiable with such services.
NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Expense Allocation and Functional Activities, continued
Functional activities are summarized as follows:

Program Services consist of funds utilized for community building and community impact work, specifically those funds that help provide critical community resources in the areas of education, income, and health support. Such services include community grants, opportunity grants, emergency grants, mentoring, advocacy, volunteers, networking, supply drives, and other efforts. Program services expenses include expenditures for contractual work performed for the City and County of Missoula, Montana under Missoula’s 10-Year Plan to End Homelessness.

Management and General consist of funds that are used for administering the United Way and processing donor contributions.

Fundraising expenses are for activities and events designed to create public awareness and support for the United Way’s programs; principally its grant making to education, income, and health programs in the community.

L. Marketing Expenses
The United Way expenses the costs of marketing as incurred. Marketing expenses totaled $67,909 and $68,324 in 2017 and 2016, respectively.

M. Estimates
The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

N. Income Tax Status
The United Way is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes has been recorded in the financial statements because the United Way did not have any unrelated business income in 2017. With few exceptions, United Way's federal Return of Organization Exempt from Income Tax (Form 990) is not subject to examination for tax years prior to 2014.
NOTE 2. CONTRIBUTIONS RECEIVABLE

The United Way’s contributions receivable are due in less than one year and are reported on the statement of financial position at unpaid principal amounts, net of an allowance account. A summary is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>Restated 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions receivable</td>
<td>333,696</td>
<td>274,159</td>
</tr>
<tr>
<td>Allowance</td>
<td>(76,679)</td>
<td>(60,000)</td>
</tr>
<tr>
<td>Contributions receivable, net</td>
<td>$ 257,017</td>
<td>$ 214,159</td>
</tr>
</tbody>
</table>

NOTE 3. INVESTMENTS

A framework for measuring fair value and defining fair value is provided by GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. GAAP also established a fair value hierarchy prioritizing the valuation of inputs into three broad levels as described below:

- Level 1 – unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 – quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.
- Level 3 – significant unobservable prices or inputs where there is little or no market activity for the asset or liability at the measurement date.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The United Way’s policy for determining the timing of significant transfers between Level 1 and Level 2 is at the end of the reporting period.
NOTE 3. INVESTMENTS, Continued

Marketable equity securities are stated at fair value based on quoted market prices in active markets. Mutual funds are valued at the net asset value (NAV). The NAV is based on the value of the underlying assets owned, minus its liabilities, and then divided by the number of shares held at year-end. The NAV is quoted in an active market.

The cost and fair value of investments at December 31, 2017 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Cost or Amortized Cost</th>
<th>Unrealized Gain (Loss)</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market</td>
<td>$ 10,078</td>
<td>-</td>
<td>$ 10,078</td>
</tr>
<tr>
<td>LEVEL 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond funds</td>
<td>142,479</td>
<td>(1,187)</td>
<td>141,292</td>
</tr>
<tr>
<td>Equity funds</td>
<td>611,062</td>
<td>167,818</td>
<td>778,880</td>
</tr>
<tr>
<td>Total</td>
<td>753,541</td>
<td>166,631</td>
<td>920,172</td>
</tr>
<tr>
<td>LEVEL 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash surrender value</td>
<td>9,966</td>
<td>-</td>
<td>9,966</td>
</tr>
<tr>
<td>of life insurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>policy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL INVESTMENTS</td>
<td>$ 773,585</td>
<td>$ 166,631</td>
<td>$ 940,216</td>
</tr>
</tbody>
</table>

Net investment income for the year ended December 31, 2017 was as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$ 30,575</td>
</tr>
<tr>
<td>Net realized and unrealized gains</td>
<td>87,643</td>
</tr>
<tr>
<td>Investment income</td>
<td>$ 118,218</td>
</tr>
</tbody>
</table>
NOTE 3. INVESTMENTS, Continued

The cost and fair value of investments at December 31, 2016 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Cost or Amortized Cost</th>
<th>Net Unrealized Gain (Loss)</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market</td>
<td>$ 8,428</td>
<td>$ -</td>
<td>$ 8,428</td>
</tr>
<tr>
<td>LEVEL 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond funds</td>
<td>139,429</td>
<td>(2,631)</td>
<td>136,798</td>
</tr>
<tr>
<td>Equity funds</td>
<td>576,972</td>
<td>94,226</td>
<td>671,198</td>
</tr>
<tr>
<td>Total</td>
<td>716,401</td>
<td>91,595</td>
<td>807,996</td>
</tr>
<tr>
<td>LEVEL 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash surrender value of life insurance policy</td>
<td>9,583</td>
<td>-</td>
<td>9,583</td>
</tr>
<tr>
<td>TOTAL INVESTMENTS</td>
<td>$ 734,412</td>
<td>$ 91,595</td>
<td>$ 826,007</td>
</tr>
</tbody>
</table>

Net investment income for the year ended December 31, 2016 was as follows:

- Interest and dividends $ 19,600
- Net realized and unrealized gains (losses) $ 32,372
- Investment loss $ 51,972

Investment fees totaling $9,004 and $8,233 were paid in 2017 and 2016, respectively. Investment fees are reported on the Statement of Functional Expense with professional fees.
NOTE 4. PROPERTY AND EQUIPMENT

The United Way’s property and equipment consisted of the following at December 31, 2017 and 2016:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2015</th>
<th>Additions</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 72,000</td>
<td></td>
<td>$ 72,000</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>34,760</td>
<td>-</td>
<td>34,760</td>
</tr>
<tr>
<td>Building</td>
<td>344,316</td>
<td>-</td>
<td>344,316</td>
</tr>
<tr>
<td></td>
<td>451,076</td>
<td>-</td>
<td>451,076</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(65,503)</td>
<td>(9,328)</td>
<td>(74,831)</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>$ 385,573</td>
<td>(9,328)</td>
<td>$ 376,245</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2016</th>
<th>Additions</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 72,000</td>
<td></td>
<td>$ 72,000</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>34,760</td>
<td>1,188</td>
<td>35,948</td>
</tr>
<tr>
<td>Building</td>
<td>344,316</td>
<td></td>
<td>344,316</td>
</tr>
<tr>
<td></td>
<td>451,076</td>
<td>1,188</td>
<td>452,264</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(74,831)</td>
<td>(8,893)</td>
<td>(83,724)</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>$ 376,245</td>
<td>(7,705)</td>
<td>$ 368,540</td>
</tr>
</tbody>
</table>

NOTE 5. LEASES

The United Way leases certain office equipment under terms of an operating lease on a month-to-month basis. Rent is determined based on usage. Total rent expense paid under this lease was $1,787 and $1,599 in 2017 and 2016, respectively, which is expected to approximate future amounts.
NOTE 6. ENDOWMENT

Interpretation of Relevant Law
The Board of Directors has interpreted the Montana Uniform Prudent Management of Institutional Funds Act (MUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary. As a result of this interpretation, the United Way classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment from donors, (b) the original value of subsequent gifts to the permanent endowment from donors, and (c) any accumulations made to the permanent endowment made in accordance with the director of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted permanent endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the United Way in a manner consistent with the standard of prudence prescribed by MUPMIFA.

In accordance with MUPMIFA, the United Way considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the fund and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation or deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the fund;
- The investment policies of the fund

Funds with Deficiencies
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor, board of directors, or MUPMIFA requires the United Way to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are required to be reported in unrestricted net assets. There were no funds with deficiencies in 2017 and 2016.
NOTE 6.  ENDOWMENT, Continued

Return Objectives and Risk Parameters
The United Way has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and activities supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the United Way must hold in perpetuity or for a donor-specified period as well as board-designated endowment funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield of 5%. The United Way expects its endowment funds over time to provide a reasonable level of income to support the spending policy authorized by the Board of Directors and to grow equity assets. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives
To satisfy its long-term rate-of-return objectives, the United Way 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 United Way targets a diversified asset allocation including cash, cash equivalents, equity securities, and mutual funds to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy
The United Way’s spending policy allows for an annual distribution up to 5% of the three-year average market value of the funds as calculated on 4 quarters ending December 31, not to exceed the average net earnings, growth, and income of the three-year period. The United Way expects its spending policy to allow the endowment to grow and to maintain the purchasing power of the endowment assets.
NOTE 6.  ENDOWMENT, Continued

Changes in the endowment net assets composition by fund type for the years ended December 31, 2017 and 2016 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment Net Assets, December 31, 2015</td>
<td>$ 254,854</td>
<td>$ 522,417</td>
<td>$ 777,271</td>
</tr>
<tr>
<td>Investment Return</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>19,600</td>
<td></td>
<td>19,600</td>
</tr>
<tr>
<td>Net Depreciation (realized and unrealized)</td>
<td>32,372</td>
<td>-</td>
<td>32,372</td>
</tr>
<tr>
<td>Total Investment Return</td>
<td>51,972</td>
<td>-</td>
<td>51,972</td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations for Expenditures and Fees</td>
<td>(8,236)</td>
<td>5,000</td>
<td>(8,236)</td>
</tr>
<tr>
<td>Endowment Net Assets, December 31, 2016</td>
<td>298,590</td>
<td>527,417</td>
<td>826,007</td>
</tr>
<tr>
<td>Investment Return</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>30,575</td>
<td></td>
<td>30,575</td>
</tr>
<tr>
<td>Net Depreciation (realized and unrealized)</td>
<td>87,348</td>
<td>-</td>
<td>87,348</td>
</tr>
<tr>
<td>Total Investment Return</td>
<td>117,923</td>
<td>-</td>
<td>117,923</td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations for Expenditures and Fees</td>
<td>(9,004)</td>
<td>-</td>
<td>(9,004)</td>
</tr>
<tr>
<td>Endowment Net Assets, December 31, 2017</td>
<td>$ 407,509</td>
<td>$ 532,707</td>
<td>$ 940,216</td>
</tr>
</tbody>
</table>

NOTE 7.  LINE OF CREDIT

The United Way has line of credit from a financial institution that can be renewed annually. The line of credit was last renewed in September of 2017 with a maximum limit of $100,000. The amount outstanding at December 31, 2017 and 2016 was $0. The maturity date is September 1, 2018. Interest is variable at the Wall Street Journal prime rate (3.75% at December 31, 2017 and 2016) plus 1.0% point and is payable monthly. The line of credit is secured by the United Way’s assets.
UNITED WAY OF MISSOULA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2017 and 2016

NOTE 8. MORTGAGE PAYABLE

The United Way has a mortgage payable with an outstanding balance due of $328,199 and $337,915 at December 31, 2017 and 2016. The mortgage payable originated in June 2012 for $375,000 and matures in June 2037. Interest is 5.0%. Repayment is in monthly principal and interest payments of $2,199. Collateral is the United Way’s office building.

Annual maturities at December 31, 2017 are as follows:

<table>
<thead>
<tr>
<th>Years Ending December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$10,201</td>
</tr>
<tr>
<td>2019</td>
<td>10,723</td>
</tr>
<tr>
<td>2020</td>
<td>11,229</td>
</tr>
<tr>
<td>2021</td>
<td>11,846</td>
</tr>
<tr>
<td>2022</td>
<td>12,452</td>
</tr>
<tr>
<td>Thereafter</td>
<td>271,748</td>
</tr>
<tr>
<td></td>
<td>$328,199</td>
</tr>
</tbody>
</table>

NOTE 9. EMPLOYEE BENEFITS

The United Way participates in a SIMPLE IRA retirement plan for employees who had competed one year of service and earned at least $5,000 in compensation. The United Way contributes 2% of employee compensation. Employees may make elective deferrals up to the amount allowed by law. The United Way contributed $5,032 and $4,243 in 2017 and 2016, respectively.

The United Way provides health insurance for full time employees after thirty days of employment. Family coverage is available at the employee’s expense. The United Way paid insurance premiums of $39,884 and paid $177 in health savings account fees for its employees in 2017. The United Way paid insurance premiums of $36,535 and paid $284 in health savings account fees for its employees in 2016.

NOTE 10. RELATED PARTIES

The United Way is an affiliate of the United Way Worldwide, meeting high standards of accountability in the areas of financial reporting, governance, ethics, and operations. Membership dues attributed to United Way Worldwide totaled $9,811 and $10,741 in 2017 and 2016, respectively.
NOTE 11. RESTRICTED NET ASSETS

Restricted net assets at December 31, 2017 and 2016 comprise temporarily restricted net assets and permanently restricted net assets.

Temporarily restricted net assets of $257,017 and $214,159 at December 31, 2017 and 2016, respectively, consist of the net realizable value of promises to give. Additionally, temporarily restricted net assets of $146,313 at December 31, 2017 which are restricted for Seeley and Lolo Fire purposes.

Permanently restricted net assets of $532,707 and $527,417 at December 31, 2017 and 2016, respectively, consist of the United Way’s endowment fund.

NOTE 12. RESTATEMENT OF PRIOR PERIOD BALANCES

The accompanying financial statements for 2016 have been restated to correct an error made in 2016 and 2015. The restatement resulted in changes to the Statement of Financial Position as follows: an increase of $141,853 in pledges receivable and increase of $115,469 in net assets. On the Statement of Activities: an increase in contributions revenue of $26,384, which resulted in an increase in changes in net assets of $26,384.

NOTE 13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 28, 2018 the date the financial statements were available for issue.
SUPPLEMENTAL INFORMATION
UNITED WAY OF MISSOULA COUNTY

SCHEDULE OF 2017 CAMPAIGN REVENUE
For the Year Ended December 31, 2017

<table>
<thead>
<tr>
<th>CAMPAIGN REVENUES</th>
<th>02/01/17 to 12/31/2017</th>
<th>01/01/18 to 1/31/2018</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undesignated Contributions</td>
<td>$ 557,202</td>
<td>$ 46,608</td>
<td>$ 603,810</td>
</tr>
<tr>
<td>Designated Contributions</td>
<td>355,174</td>
<td>29,160</td>
<td>384,334</td>
</tr>
<tr>
<td>Endowment Contributions</td>
<td>5,290</td>
<td>820</td>
<td>6,110</td>
</tr>
<tr>
<td>Campaign Revenues, Gross</td>
<td>$ 917,666</td>
<td>$ 76,588</td>
<td>$ 994,254</td>
</tr>
</tbody>
</table>

DESIGNATIONS

<table>
<thead>
<tr>
<th>Designations (from above)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Designated Contributions</td>
<td>$ 355,174</td>
<td>$ 29,160</td>
<td>$ 384,334</td>
</tr>
<tr>
<td>Direct Distributions</td>
<td>-</td>
<td>(38,176)</td>
<td>(38,176)</td>
</tr>
<tr>
<td>Designation Fees</td>
<td>(29,641)</td>
<td>(919)</td>
<td>(30,560)</td>
</tr>
<tr>
<td>Designations, Net</td>
<td>$ 325,533</td>
<td>$ (9,935)</td>
<td>$ 315,598</td>
</tr>
</tbody>
</table>

Campaign Revenues, Net

| Campaign Revenues, Net                     | $ 888,025              | $ 37,493               | $ 925,518 |