UNITED WAY OF GREATER ST. LOUIS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2017

United Way of Greater St. Louis

Contents

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Independent Auditors' Report

Board of Directors
United Way of Greater St. Louis, Inc.
St. Louis, Missouri

Report On The Financial Statements

We have audited the financial statements of United Way of Greater St. Louis, Inc., a not-for-profit organization, which comprise the statement of financial position as of June 30, 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.

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 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 auditors' 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 Greater St. Louis, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

RubinBrown LLP

November 22, 2017

UNITED WAY OF GREATER ST. LOUIS, INC.

STATEMENT OF FINANCIAL POSITION

Assets

	June 30, 2017	June 30, 2016
Cash and cash equivalents (Note 1)	$ 7,127,255	$ 4,038,385
Campaign pledges receivable	27,801,346	32,374,375
Allowance for uncollectible pledges	(3,515,855)	(3,379,151)
Other receivables and prepaid expenses	1,085,006	1,115,458
Certificates of deposit (Note 5)	2,754,000	6,000,000
Charitable remainder trusts (Note 7)	5,917,819	5,203,238
Assets restricted for temporary investment (Note 5)	4,525,074	3,378,091
Investments (Note 5)	34,421,182	28,151,934
Land, building, furniture and equipment (Note 6)	3,594,844	3,688,587
Assets restricted for permanent investment (Notes 5 and 8)	13,693,983	11,166,733
Other assets (Note 15)	400,000	—
Total Assets	$ 97,804,654	$ 91,737,650

Liabilities And Net Assets

	June 30, 2017	June 30, 2016
Liabilities		
Accounts payable and accrued expenses	$ 1,127,236	$ 1,309,671
Payable to United Way Worldwide	280,440	278,750
Allocations payable	24,878,151	25,679,644
Donor designations payable	3,276,340	4,478,178
Pension plan and postretirement plan liabilities (Notes 10 and 11)	4,533,377	6,678,023
Total Liabilities	34,095,544	38,424,266
Net Assets		
Unrestricted:		
Board designated	3,553,064	1,120,584
Net investment in land, building and equipment	3,528,197	3,669,090
Available for operations	26,913,782	23,227,655
Total Unrestricted	33,995,043	28,017,329
Temporarily restricted (Note 9)	16,020,084	14,129,322
Permanently restricted (Note 8)	13,693,983	11,166,733
Total Net Assets	63,709,110	53,313,384
Total Liabilities And Net Assets	$ 97,804,654	$ 91,737,650

UNITED WAY OF GREATER ST. LOUIS, INC.

STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support, Revenue And Gains (Losses)				
Public Support				
Annual campaigns	$ 70,956,193	$ 5,429,957	$ 2,250,000	$ 78,636,150
Donor designations	(11,639,395)	—	—	(11,639,395)
Provision for uncollectible pledges	(2,119,357)	(227,620)	—	(2,346,977)
Net Annual Campaigns (Note 3)	57,197,441	5,202,337	2,250,000	64,649,778
Estate, trust and other contributions	1,647,619	3,661,110	—	5,308,729
Total Public Support	58,845,060	8,863,447	2,250,000	69,958,507
Revenue And Gains (Losses)				
Net realized gains (losses) on investments	(27,171)	96,182	—	69,011
Net unrealized gains on investments (Note 5)	2,589,653	619,055	—	3,208,708
Investment income	786,565	235,415	—	1,021,980
Increase in value of split-interest agreements (Note 7)	—	714,581	277,250	991,831
Total Revenue And Gains (Losses)	3,349,047	1,665,233	277,250	5,291,530
Net Assets Released From Restrictions (Note 9)	8,637,918	(8,637,918)	—	—
Total Public Support, Revenue And Gains (Losses)	70,832,025	1,890,762	2,527,250	75,250,037
Allocations And Expenses				
Gross funds awarded to agencies (Note 3)	49,640,025	—	—	49,640,025
Donor designations (Note 3)	(3,166,875)	—	—	(3,166,875)
Other programs and grants (Note 3)	3,913,498	—	—	3,913,498
Allocations to agencies and other programs	50,386,648	—	—	50,386,648
Other Program Services:				
Allocations/Grant-making	1,691,656	—	—	1,691,656
Community Solutions	2,829,826	—	—	2,829,826
Volunteer Center	611,806	—	—	611,806
Case Management Services	2,999,731	—	—	2,999,731
Philanthropic Services	876,276	—	—	876,276
Total Program Services	59,395,943	—	—	59,395,943
Supporting Services:				
Fundraising	4,755,950	—	—	4,755,950
Management and general	2,198,454	—	—	2,198,454
Total Supporting Services	6,954,404	—	—	6,954,404
Total Allocations And Expenses	66,350,347	—	—	66,350,347
Increase In Net Assets From Operations	4,481,678	1,890,762	2,527,250	8,899,690
Pension And Postretirement Plan Changes Other Than Net Periodic Benefit Costs (Notes 10 And 11)	1,496,036	—	—	1,496,036
Increase In Net Assets	5,977,714	1,890,762	2,527,250	10,395,726
Net Assets - Beginning Of Year	28,017,329	14,129,322	11,166,733	53,313,384
Net Assets - End Of Year	$ 33,995,043	$ 16,020,084	$ 13,693,983	$ 63,709,110

UNITED WAY OF GREATER ST. LOUIS, INC.

STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support, Revenue And Gains (Losses)				
Public Support				
Annual campaigns	$ 69,151,490	$ 4,795,905	$ 1,000,000	$ 74,947,395
Donor designations	(9,810,747)	—	—	(9,810,747)
Provision for uncollectible pledges	(1,891,452)	(133,405)	—	(2,024,857)
Net Annual Campaigns (Note 3)	57,449,291	4,662,500	1,000,000	63,111,791
Estate, trust and other contributions	976,664	4,572,119	—	5,548,783
Total Public Support	58,425,955	9,234,619	1,000,000	68,660,574
Revenue And Gains (Losses)				
Net realized gains (losses) on investments	(11,238)	68,893	—	57,655
Net unrealized gains (losses) on investments (Note 5)	207,342	(5,706)	—	201,636
Investment income	681,721	184,728	—	866,449
Decrease in value of split-interest agreements (Note 7)	—	(175,891)	(241,539)	(417,430)
Total Revenue And Gains (Losses)	877,825	72,024	(241,539)	708,310
Net Assets Released From Restrictions (Note 9)	8,485,105	(8,485,105)	—	—
Total Public Support, Revenue And Gains (Losses)	67,788,885	821,538	758,461	69,368,884
Allocations And Expenses				
Gross funds awarded to agencies	53,038,585	—	—	53,038,585
Donor designations (Note 3)	(3,696,386)	—	—	(3,696,386)
Other programs and grants	3,924,724	—	—	3,924,724
Allocations to agencies and other programs	53,266,923	—	—	53,266,923
Other Program Services:				
Allocations/Grant-making	1,670,680	—	—	1,670,680
Community Solutions	3,303,880	—	—	3,303,880
Volunteer Center	595,537	—	—	595,537
Case Management Services	2,975,604	—	—	2,975,604
Philanthropic Services	336,303	—	—	336,303
Total Program Services	62,148,927	—	—	62,148,927
Supporting Services:				
Fundraising	5,408,904	—	—	5,408,904
Management and general	1,982,655	—	—	1,982,655
Total Supporting Services	7,391,559	—	—	7,391,559
Total Allocations And Expenses	69,540,486	—	—	69,540,486
Increase (Decrease) In Net Assets From Operations	(1,751,601)	821,538	758,461	(171,602)
Pension And Postretirement Plan Changes Other Than Net Periodic Benefit Costs (Notes 10 And 11)	(2,150,330)	—	—	(2,150,330)
Increase (Decrease) In Net Assets	(3,901,931)	821,538	758,461	(2,321,932)
Net Assets - Beginning Of Year	31,919,260	13,307,784	10,408,272	55,635,316
Net Assets - End Of Year	$ 28,017,329	$ 14,129,322	$ 11,166,733	$ 53,313,384

UNITED WAY OF GREATER ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2017

	Program Services						Supporting Services			
	Allocations/ Grant-Making	Community Solutions	Volunteer Center	Case Management Services	Philanthropic Services	Total	Fund-raising	Management And General	Total	Total
Gross funds awarded	$ 49,085,540	$ 425,273	$ —	$ 129,212	$ —	$ 49,640,025	$ —	$ —	$ —	$ 49,640,025
Less: Donor designations	(3,166,875)	—	—	—	—	(3,166,875)	—	—	—	(3,166,875)
Other programs and grants	3,116,527	677,960	—	119,011	—	3,913,498	—	—	—	3,913,498
Allocations to agencies and other programs	49,035,192	1,103,233	—	248,223	—	50,386,648	—	—	—	50,386,648
Salaries	971,890	1,305,517	305,012	1,496,402	515,207	4,594,028	2,345,041	1,171,592	3,516,633	8,110,661
Taxes and benefits (Note 10)	349,551	405,495	126,068	710,977	140,445	1,732,536	945,198	401,435	1,346,633	3,079,169
Audit and legal fees	5,742	20,074	2,406	10,251	12,894	51,367	17,049	31,952	49,001	100,368
Consulting and other professional fees	83,930	593,081	38,208	228,192	73,662	1,017,073	155,990	147,890	303,880	1,320,953
Materials, ads, events and supplies:										
Campaign related	—	—	—	—	—	—	529,824	—	529,824	529,824
Noncampaign related	5,522	59,058	18,744	15,871	17,704	116,899	41,958	21,952	63,910	180,809
Meetings and local travel	24,093	43,997	8,954	23,264	9,817	110,125	57,466	32,652	90,118	200,243
Training and professional development	13,327	15,643	5,262	27,430	3,887	65,549	37,414	13,885	51,299	116,848
Office expenses	28,209	25,407	14,038	102,110	8,312	178,076	71,592	31,334	102,926	281,002
Occupancy, equipment, and maintenance	71,719	62,741	43,137	104,537	32,655	314,789	183,741	99,880	283,621	598,410
Depreciation and amortization	39,456	41,683	13,973	69,731	19,643	184,486	109,018	49,581	158,599	343,085
Insurance	8,856	9,898	3,126	14,274	5,314	41,468	23,443	39,281	62,724	104,192
Other	23,906	199,613	7,414	52,714	17,273	300,920	51,050	85,283	136,333	437,253
United Way Worldwide dues	65,455	47,619	25,464	143,978	19,463	301,979	187,166	71,737	258,903	560,882
Expenses excluding allocations	1,691,656	2,829,826	611,806	2,999,731	876,276	9,009,295	4,755,950	2,198,454	6,954,404	15,963,699
Total	$ 50,726,848	$ 3,933,059	$ 611,806	$ 3,247,954	$ 876,276	$ 59,395,943	$ 4,755,950	$ 2,198,454	$ 6,954,404	$ 66,350,347

UNITED WAY OF GREATER ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2016

	Program Services						Supporting Services			
	Allocations/ Grant-Making	Community Solutions	Volunteer Center	Case Management Services	Philanthropic Services	Total	Fund-raising	Management And General	Total	Total
Gross funds awarded	$ 51,841,901	$ 1,057,531	$ —	$ 139,153	$ —	$ 53,038,585	$ —	$ —	$ —	$ 53,038,585
Less: Donor designations	(3,696,386)	—	—	—	—	(3,696,386)	—	—	—	(3,696,386)
Other programs and grants	3,363,117	474,397	—	87,210	—	3,924,724	—	—	—	3,924,724
Allocations to agencies and other programs	51,508,632	1,531,928	—	226,363	—	53,266,923	—	—	—	53,266,923
Salaries	905,023	1,281,086	284,001	1,382,888	186,974	4,039,972	2,549,289	980,484	3,529,773	7,569,745
Taxes and benefits (Note 10)	401,680	460,763	138,690	787,613	68,357	1,857,103	1,189,163	417,500	1,606,663	3,463,766
Audit and legal fees	6,845	14,780	2,938	9,182	7,250	40,995	23,561	33,863	57,424	98,419
Consulting and other professional fees	80,265	1,100,861	46,522	226,315	23,112	1,477,075	198,029	155,634	353,663	1,830,738
Materials, ads, events and supplies:										
Campaign related	—	—	—	—	—	—	591,874	—	591,874	591,874
Noncampaign related	28,229	92,018	19,653	17,879	3,309	161,088	82,779	20,759	103,538	264,626
Meetings and local travel	23,982	63,688	10,093	29,904	6,338	134,005	66,437	34,494	100,931	234,936
Training and professional development	9,295	19,750	3,732	21,791	1,272	55,840	28,849	9,216	38,065	93,905
Office expenses	19,433	16,475	8,376	129,324	3,316	176,924	81,554	29,905	111,459	288,383
Occupancy, equipment rental and maintenance	64,384	81,394	32,742	90,326	12,124	280,970	185,003	94,467	279,470	560,440
Depreciation and amortization	38,924	90,472	13,861	68,899	7,839	219,995	125,787	43,634	169,421	389,416
Insurance	8,695	9,394	3,098	14,191	2,299	37,677	26,784	35,479	62,263	99,940
Other	20,593	24,306	7,580	46,990	5,695	105,164	59,764	64,947	124,711	229,875
United Way Worldwide dues	63,332	48,893	24,251	150,302	8,418	295,196	200,031	62,273	262,304	557,500
Expenses excluding allocations	1,670,680	3,303,880	595,537	2,975,604	336,303	8,882,004	5,408,904	1,982,655	7,391,559	16,273,563
Total	$ 53,179,312	$ 4,835,808	$ 595,537	$ 3,201,967	$ 336,303	$ 62,148,927	$ 5,408,904	$ 1,982,655	$ 7,391,559	$ 69,540,486

UNITED WAY OF GREATER ST. LOUIS, INC.

STATEMENT OF CASH FLOWS

	For The Years Ended June 30, 2017	2016
Cash Flows From Operating Activities		
Increase (decrease) in net assets	$ 10,395,726	$ (2,321,932)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	343,085	389,416
Contributions restricted for permanent investment	(2,250,000)	(1,000,000)
Net realized gains on investments	(69,011)	(57,655)
Net unrealized gains on investments	(3,208,708)	(201,636)
(Increase) decrease in value of split-interest agreements	(991,831)	417,430
Pension and postretirement plan changes other than net periodic benefits costs	(1,496,036)	2,150,330
Changes in assets and liabilities:		
(Increase) decrease in campaign pledges receivable	4,573,029	(2,447,395)
Increase (decrease) in allowance for uncollectible pledges	136,704	(96,363)
(Increase) decrease in other receivables and prepaid expenses	30,452	(444,854)
Increase other assets	(400,000)	—
Decrease in accounts payable and accrued liabilities	(229,585)	(365,079)
Increase in payable to United Way Worldwide	1,690	932
Decrease in allocations payable	(801,493)	(920,391)
Increase (decrease) in donor designations payable	(1,201,838)	2,084,029
Increase (decrease) in accrued pension plan and retirement plan liabilities	(648,610)	739,181
Net Cash Provided By (Used In) Operating Activities	4,183,574	(2,073,987)
Cash Flows From Investing Activities		
Purchases of building, furniture and equipment	(202,192)	(442,603)
Proceeds from sale of investments	12,780,490	11,098,338
Purchases of investments	(13,241,256)	(12,486,496)
Proceeds from sale of assets restricted for temporary investment	1,943,302	3,186,756
Purchases of assets restricted for temporary investment	(2,375,048)	(3,037,011)
Purchase of assets restricted for permanent investment	(2,000,000)	(1,000,000)
Net Cash Used In Investing Activities	(3,094,704)	(2,681,016)
Cash Flows Provided By Financing Activities		
Contributions restricted for permanent investment	2,000,000	1,000,000
Net Increase (Decrease) In Cash And Cash Equivalents	3,088,870	(3,755,003)
Cash And Cash Equivalents - Beginning Of Year	4,038,385	7,773,388
Cash And Cash Equivalents - End Of Year	$ 7,127,255	$ 4,038,385
Supplemental Disclosure Of Cash Flow Information		
Fixed asset purchases in accounts payable	$ 66,647	$ 19,497

1. Summary Of Significant Accounting Policies

Estimates And Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Basis Of Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board. The United Way of Greater St. Louis, Inc. (the Organization) is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Restricted net assets consist of the following:

Temporarily Restricted Net Assets

Temporarily restricted net assets include gifts for which a donor-imposed restriction has not been met and promises to give for which the ultimate purpose of the proceeds is not permanently restricted and the purpose restriction has not yet been met. The entire gift, the principal amount given, can be spent in accordance with the donor's restriction.

Permanently Restricted Net Assets

Permanently restricted net assets include gifts, trusts and pledges which require, by donor restriction, that the corpus or the principal be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

Cash And Cash Equivalents

The Organization considers all money market and short-term investments with original maturities less than three months from the date of purchase to be cash equivalents. The Organization invests its cash with financial institutions with strong credit ratings. At June 30, 2017, such balances were in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits by approximately $8,713,000. All but approximately $304,000 of this excess was held in money market accounts invested exclusively in short-term U.S. Government securities and repurchase agreements secured by U.S. Government securities.

Campaign Pledges Receivable

Unconditional pledges receivable are recognized as support in the period the pledges are received. Conditional contributions are recognized as support when the conditions on which they depend have been substantially met.

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance. The valuation allowance is computed based upon a five-year historical average adjusted by estimates of current economic factors and applied to individual campaign balances, including donor designations. Those balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable.

Investments And Assets Restricted For Temporary And Permanent Investment

Investments are reported at fair value, which is based on quoted market prices, with the exception of certificates of deposit which are carried at cost, which approximates fair value. Gains and losses on sales of investments are generally determined on a specific cost identification basis. Unrealized gains and losses are determined based on year-end market valuations.

Land, Building, Furniture And Equipment

Land, building, furniture and equipment are recorded at cost or, if donated, at fair value on the date of receipt, less accumulated depreciation. Depreciation on the building, furniture and equipment is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 40 years.

Restricted And Unrestricted Public Support

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization has adopted the policy of reporting net assets released from restrictions upon completion of donor purpose restrictions, regardless of whether the related cash has been received.

Donor Designations

Regular campaign designations are from traditional workplace campaign donors who may designate some or all of their gifts to specific member agencies. In accordance with accounting standards, these specified designations are not considered to be part of the allocations to agencies and are deducted from campaign results. Payments to member agencies are the greater of their allocation awards or the sum of their designations (Note 3).

"Consolidated Giving" addresses the philanthropic needs of corporations and high net worth individuals to encourage better relationships with the Organization that ultimately lead to increased total funding. Under this model, certain designations, referred to as "pay direct designations", are accepted and processed at no or low cost to the donor (Note 3). These gifts may be to member agencies, other non-profits or to programs managed by the Organization (Note 3).

The Organization processes some national campaigns for companies headquartered in the Greater St. Louis service area. Payments made to other United Ways for employees of those national companies that are located outside of the Greater St. Louis service area are considered donor designations.

The Combined Federal Campaign is based entirely on donor designations according to the rules of the campaign (Note 4).

Third-party processors manage campaign results processing for some national corporations located in the Organization's service area. In instances where the Organization performs fundraising efforts and becomes aware of pledge amounts to its member agencies from such companies, it records the campaign revenue and offsets it by third-party processor designations.

The amounts of donor designations to specified agencies that remain unpaid at year end are included in the statement of financial position as donor designations payables, except designations payable that apply to third-party processed designations.

Description Of Program Services And Supporting Activities

The following program services and supporting activities are included in the accompanying financial statements, in accordance with the Organization's Mission Statement (Note 2):

Program Services

Allocations/Grant-making - Includes expenditures for ongoing operational funding and one-time grants to member and non-member agencies, and for administering the funding and providing oversight of the fund distribution programs.

Community Solutions - Includes expenditures relating to collaborative approaches to deliver improved community-level outcomes in the United Way impact areas of health, education, basic needs, strong communities and financial stability through research, thought leadership, aligned programming and funding, and community mobilization (i.e., Collective Impact, Dolly Parton Imagination Library, SLPS Partnership, etc.).

Volunteer Center - Includes expenditures relating to connecting not-for-profit organizations that are in need of either episodic or ongoing volunteer assistance with community members who are able and willing to help. Agency monitoring, training and certification help to assure the best possible experiences.

Case Management Services - Includes expenditures related to operating a 24-hour health and human service helpline for 99 Missouri counties and 9 Illinois counties, all accessed using a three-digit telephone number (2-1-1), including case management and navigation services for clients. It also includes expenses for the coordination and delivery of ongoing direct assistance funding including energy assistance and 100 Neediest Cases, and of emergency assistance activities in times of crises on behalf of United Way and other funders including governmental, non-profit, schools and related entities.

Philanthropic Services - Includes expenditures relating to the creation and implementation of tailored back office and advisory services for donor-directed investments that may fall outside of the traditional campaign structure, including disbursement of charitable giving, development of giving strategy, impact monitoring and reporting, and management of donor-directed programming.

Fundraising

Provides the structure necessary to encourage and secure financial support from individuals, organizations and corporations.

Management And General

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

Expense Allocation

Expenses are charged to program services and supporting activities on the basis of how resources are specifically utilized, as well as periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising Costs

The Organization expenses advertising costs as incurred. Total advertising costs charged against income amounted to $209,427 in 2017 and $212,257 in 2016. These amounts include donated advertising of $23,550 and $86,350 in 2017 and 2016, respectively.

Donated Services

A substantial number of volunteers have donated significant amounts of time to the Organization's program services and to its fundraising campaigns. These services are not recorded in the financial statements since they do not meet the criteria for recognition in accounting standards established for not-for-profit organizations.

Income Taxes

The Organization is exempt from federal income taxes on its related, exempt activities under Section 501(c)(3) of the Internal Revenue Code. The Organization's federal tax returns for tax years 2013 and later remain subject to examination by taxing authorities.

Fair Value

The carrying amounts of accounts receivable, campaign pledges receivable, and accounts payable and accrued expenses approximate fair value due to the short period to maturity. Other pledges receivable and beneficial interests in perpetual trusts under split-interest agreements approximate fair value due to the similarity of the discount or interest rates with the rates of return on investments with similar maturities.

Reclassifications

Certain 2016 balances have been reclassified, where appropriate, to conform to the presentation used in the 2017 financial statements.

Subsequent Events

Management evaluates subsequent events through the date the financial statements are available for issue, which is the date of the Independent Auditors' Report.

2. Organization

The Organization, founded in 1922, is a not-for-profit organization that conducts annual campaigns in the St. Louis region. It raises unrestricted and other funds to support more than 160 health and human service organizations throughout the city of St. Louis and 15 surrounding counties in Missouri and Illinois. These agency allocations are determined through a citizen review process that involves more than 400 volunteers who are representative of the St. Louis area community. Payments of agency allocations are made in the calendar year following the campaign, matching the timing of most cash receipts from that campaign. It also raises certain designated and temporarily restricted funds within the annual campaigns and otherwise that support a broader group of agencies, more than 475 inclusive of the member agencies. The Organization is governed by a volunteer Board of Directors that both evaluates and helps the Organization fulfill its mission.

Mission Statement

United Way of Greater St. Louis mobilizes the community with one goal in mind - helping people live their best possible lives.

3. Designations

Campaign designations are processed in several separate and distinct ways as described in Note 1. They are deducted from total campaign results to calculate the campaign available for allocations and operations and ultimately to calculate the net campaign at the respective year ends as follows:

	June 30, 2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Annual campaign	$ 70,956,193	$ 5,429,957	$ 2,250,000	$ 78,636,150
Less: Pay direct designations	(8,061,503)	—	—	(8,061,503)
Less: 3rd party processor designations	(411,017)	—	—	(411,017)
Campaign available for allocations/operations	62,483,673	5,429,957	2,250,000	70,163,630
Less: Regular campaign designations	(3,166,875)	—	—	(3,166,875)
Less: Provision for uncollectible pledges	(2,119,357)	(227,620)	—	(2,346,977)
	(5,286,232)	(227,620)	—	(5,513,852)
Net Campaign	$ 57,197,441	$ 5,202,337	$ 2,250,000	$ 64,649,778

	June 30, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Annual campaign	$ 69,151,490	$ 4,795,905	$ 1,000,000	$ 74,947,395
Less: Pay direct designations	(5,722,456)	—	—	(5,722,456)
Less: 3rd party processor designations	(391,905)	—	—	(391,905)
Campaign available for allocations/operations	63,037,129	4,795,905	1,000,000	68,833,034
Less: Regular campaign designations	(3,696,386)	—	—	(3,696,386)
Less: Provision for uncollectible pledges	(1,891,452)	(133,405)	—	(2,024,857)
	(5,587,838)	(133,405)	—	(5,721,243)
Net Campaign	$ 57,449,291	$ 4,662,500	$ 1,000,000	$ 63,111,791

In addition to the gross funds awarded to member agencies through the allocations process of $49,640,025, which include regular campaign designations of $3,166,875, member agencies also received $2,438,050 of the $8,472,520 of the pay direct and 3rd party processor designations and $786,892 of the $3,913,498 of other programs and grants awarded for the year ended June 30, 2017.

Temporarily restricted campaign revenue of $5,429,957 for the year ended June 30, 2017, in addition to regular campaign revenue restricted for future campaigns, includes Consolidated Giving designations to programs managed by the Organization of $3,812,992 and 100 Neediest Cases revenue of $1,360,559. Temporarily restricted campaign revenue of $4,795,905 for the year ended June 30, 2016, in addition to regular campaign revenue restricted for future campaigns, includes Consolidated Giving designations to programs managed by the Organization of $1,656,500 and 100 Neediest Cases revenue of $1,384,070. Only regular campaign designations are netted from campaign available for allocations/operations.

Permanently restricted revenue of $2,250,000 and $1,000,000 for the years ended June 30, 2017 and 2016, respectively, results from new United Way efforts to generate both short and long-term investments to support the community now and into the future.

4. Governmental Campaign

In U.S. federal offices and military installations throughout the St. Louis metropolitan area, the designation-driven workplace fundraising campaign is done through the East-West Gateway Combined Federal Campaign (CFC). The Organization is a participating federation in the CFC on behalf of itself and its member agencies. United Way federation agencies received pledges of $251,381 from the 2016/17 campaign and $288,087 from the 2015/16 campaign, both net of expenses and an allowance for uncollectible accounts estimated by the CFC. Total distributions made during the year ended June 30, 2017 from those two campaigns were $20,485 and $276,908, respectively. United Way's shares of the distributions were $520 and $25,025, respectively. The 2015/16 CFC campaign was complete by that point. Total distributions made during the year ended June 30, 2016 from the 2015/16 and 2014/15 campaigns were $11,179 and $341,878, respectively, with United Way's shares of the distributions being $0 and $24,258, respectively. During the 2015/16 and 2016/17 campaigns, the Organization complied with the requirements of the CFC campaign to honor designations made to each member agency by distributing a proportionate share of receipts based on donor designations to each member agency, insofar as they related to accounting matters.

5. Investments

Investments consist of the following:

	2017	2016
Cash and money market accounts - short-term investments	$ 1,983,253	$ 344,117
Certificates of deposit	3,749,794	7,108,493
Mutual funds:		
Domestic large blend index	21,961,357	17,601,523
Foreign large blend index	6,256,650	4,702,821
Real estate index	2,179,381	2,097,259
Fixed income mutual funds:		
Intermediate-term bond index	14,041,457	12,147,448
	$ 50,171,892	$ 44,001,661

The total cost basis of these investments amounted to $38,116,009 and $35,154,486 at June 30, 2017 and 2016, respectively.

These amounts are reported in the statement of financial position as follows:

	2017	2016
Certificates of deposit	$ 2,754,000	$ 6,000,000
Assets restricted for temporary investment	4,525,074	3,378,091
Investments	34,421,182	28,151,934
Assets restricted for permanent investment (Note 8)	8,721,636	6,471,636
	$ 50,421,892	$ 44,001,661

Assets restricted for temporary investment include amounts held relating to Dollar More and Dollar Help, and net gains on endowments, including the Endowment Fund of The United Way of Greater St. Louis, United Way Partnership Endowment, Overhead Support Endowment and Charmaine Chapman Endowment Fund.

Unrealized gains of $3,208,708 and $201,636 were recorded for the years ended June 30, 2017 and 2016, respectively, to adjust the investments to fair value.

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that material changes in the values of investment securities could occur.

6. Land, Building, Furniture And Equipment

Land, building, furniture and equipment consists of the following:

	2017			2016		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Land	$ 964,100	$ —	$ 964,100	$ 964,100	$ —	$ 964,100
Building	3,929,733	1,763,194	2,166,539	3,929,733	1,575,415	2,354,318
Furniture and equipment	3,024,256	2,730,583	293,673	2,945,644	2,575,475	370,169
Assets not placed into service	170,532	—	170,532	—	—	—
	$ 8,088,621	$ 4,493,777	$ 3,594,844	$ 7,839,477	$ 4,150,890	$ 3,688,587

Depreciation expense amounted to $343,085 and $389,416 for the years ended June 30, 2017 and 2016, respectively.

7. Split-Interest Agreements

The Organization is a beneficiary of four charitable remainder trusts. Upon the death of the last surviving annuitant of each of the trusts, the Organization will receive a specified percentage of the remaining trust balances. At June 30, 2017 and 2016, the Organization's specified percentage of the remaining balances was valued at $5,917,819 and $5,203,238, respectively (Note 9).

In addition, the Organization has a beneficial interest in seven perpetual trusts created by donors. The trust assets are not in the possession or control of the Organization but are held and administered by independent financial institution trustees. The Organization, along with other not-for-profit organizations, is a beneficiary of the trusts. The Organization has recorded the beneficial interest in the perpetual trusts at the Organization's proportionate share of the current fair market value of the trusts, which amounts to $4,972,347 and $4,695,097 at June 30, 2017 and 2016, respectively (Note 8).

The change in value of split-interest agreements was an increase of $991,831 and a decrease of $417,430 for the years ended June 30, 2017 and 2016, respectively.

8. Assets Restricted For Permanent Investment

Assets restricted for permanent investment consist of:

	2017	2016
Campaign pledges receivable	$ 250,000	$ —
Investments (Note 5)	8,471,636	6,471,636
Beneficial interest in perpetual trusts (Note 7)	4,972,347	4,695,097
	$ 13,693,983	$ 11,166,733

9. Net Assets And Endowments

Temporarily restricted net assets consist of campaign contributions that have not yet been expensed or specifically allocated to Organization agencies as of June 30, 2017 and 2016, as well as contributions that have been restricted by donors for a particular purpose or program and unspent earnings on endowments. Amounts are released from restrictions when the agencies are notified, in writing, of their allocation and when expenses are incurred for program use.

Temporarily restricted net assets are available for the following donor-imposed restrictions:

	2017	2016
Charitable Remainder Trusts (Note 7)	$ 5,917,819	$ 5,203,238
United Way Partnership Endowment	2,519,419	2,392,706
2017 Campaign	2,568,857	—
2016 Campaign	—	2,853,849
Endowment Fund of The United Way of Greater St. Louis Earnings	664,810	109,590
Spire's Dollar Help Program	567,055	262,752
Wells Fargo Collaborations	545,238	353,806
Individual Development Accounts	405,682	255,061
Boeing Programmatic Technology	341,880	341,880
Overhead Endowment Fund Earnings	310,950	410,157
East Side Aligned	248,293	120,960
Charmaine Chapman Endowment Fund Earnings	220,093	177,488
St. Louis Ready By 21	204,776	69,498
Dolly Parton's Imagination Library	186,996	231,036
Sponsorship - Major Gifts	170,533	—
Long-Term Recovery Disaster Funding	166,030	173,954
Siemer Institute	150,000	200,000
Corporate Hardship and Assistance	115,002	4,916
GlaxoSmithKline - East Side Thrives	98,557	283,065
Ameren Missouri's Dollar More Program	85,079	65,493
Financial Coaching and Asset Building	68,868	—
St. Louis Initiative to Reduce Violence	56,622	66,269
Organized Labor Assistance	55,158	24,868
United Way Collective Impact	50,000	50,000
David May Employee Trust	45,711	55,711
Citi Financial Head Start	39,986	41,227
Campaign Representatives Program	39,000	25,000
GM Truck 2-1-1 Direct Assistance	30,000	—
Forward Through Ferguson Funding	11,302	115,975
St. Louis Mental Health Association Scholarships	11,059	11,059
United Way Ferguson Fund	8,571	60,453
Financial Education Money Smart Week	7,925	11,107
Pfizer Fund	2,710	2,710
100 Neediest Cases	—	46,321
Anonymous and Other	106,103	109,173
	$ 16,020,084	$ 14,129,322

Temporarily restricted net assets were released due to satisfaction of restrictions as follows:

	2017	2016
Restricted Campaign	$ 2,663,778	$ 1,690,610
100 Neediest Cases	1,406,880	1,371,455
Spire's Dollar Help Program	1,143,676	1,182,184
Wells Fargo Collaborations	703,292	244,497
Ferguson - Other Resources	520,453	161,351
Ameren Missouri's Dollar More Program	514,139	759,440
East Side Aligned	259,881	159,024
St. Louis Ready By 21	247,237	160,983
GlaxoSmithKline - East Side Thrives	184,508	216,935
Overhead Endowment Fund Earnings	123,181	120,247
United Way Partnership Endowment Fund Earnings	122,035	119,309
Ferguson Neighborhood Assistance Program (NAP)	60,000	—
Long-Term Recovery Disaster Funding	58,424	187,812
Ferguson - Missouri Development Finance Board	54,123	45,877
Corporate Hardship and Assistance Funds	53,692	2,084
Citi Financial Head Start	51,241	117,392
Siemer Institute	50,000	200,000
Individual Development Accounts	48,791	66,728
Dolly Parton's Imagination Library	46,200	50,222
General Endowment Fund Earnings	41,851	—
AHCM Grant	36,195	—
Charmaine Chapman Endowment Fund Earnings	34,980	34,238
ESA - OJJDP Grant	34,869	—
GM Truck 2-1-1 Direct Assistance	30,000	—
Organized Labor Assistance	26,237	—
Ferguson - Community Services Block Grant	23,390	439,929
Financial Education Money Smart Week	22,682	34,629
Financial Coaching and Asset Building	21,006	—
Global Leadership Forum Now	18,066	—
David May Employee Trust	10,000	10,000
St. Louis Initiative to Reduce Violence	9,647	62,810
Ferguson - Community Development Block Grant	—	259,449
North County Collaborative - Summer Youth Opportunities	—	250,000
Heroin Collaborative	—	180,000
Ferguson - MOHELA	—	100,000
Ferguson - Robert Woods Johnson Foundation	—	73,398
Campaign Representatives	—	41,000
Anonymous and Other, net	17,464	143,502
	$ 8,637,918	$ 8,485,105

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 (of which there are currently none), are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has adopted an endowment investment policy requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted 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 Organization.

Endowment Asset Composition By Type Of Fund As Of June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ —	$ 3,715,272	$ 8,471,636	$ 12,186,908

Endowment Asset Composition By Type Of Fund As Of June 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ —	$ 3,044,381	$ 6,471,636	$ 9,516,017

Changes In Endowment Assets For The Fiscal Year Ended June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment assets, beginning of year	$ —	$ 3,044,381	$ 6,471,636	$ 9,516,017
Investment return:				
Investment income	—	232,117	—	232,117
Net realized and unrealized gains	—	760,821	—	760,821
Total investment return	—	992,938	—	992,938
Endowment additions	—	—	2,000,000	2,000,000
Appropriation of endowment assets for expenditure	—	(322,047)	—	(322,047)
Endowment assets, end of year	$ —	$ 3,715,272	$ 8,471,636	$ 12,186,908

Changes In Endowment Assets For The Fiscal Year Ended June 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment assets, beginning of year	$ (45,560)	$ 3,116,718	$ 5,471,636	$ 8,542,794
Investment return:				
Investment income	—	183,831	—	183,831
Net realized and unrealized gains	—	63,186	—	63,186
Total investment return	—	247,017	—	247,017
Restoration of underwater endowment	45,560	(45,560)	—	—
Endowment additions	—	—	1,000,000	1,000,000
Appropriation of endowment assets for expenditure	—	(273,794)	—	(273,794)
Endowment assets, end of year	$ —	$ 3,044,381	$ 6,471,636	$ 9,516,017

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of those contributions or "historic dollar value." As of June 30, 2017 and 2016, there were no deficiencies of this nature.

Return Objectives And Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs 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 Organization must hold in perpetuity or for a donor-specified period(s).

Strategies Employed For Achieving Objectives

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 that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy And How The Investment Objectives Relate To It

The Organization records earnings from its endowments in temporarily restricted funds until such time as they are appropriated and released to unrestricted when market conditions allow.

10. Pension Plans

Substantially all employees of the Organization are covered by a noncontributory defined benefit pension plan (the Plan). Benefits are based on years of service and salary levels prior to retirement. The Plan allows for the payment of benefits as a monthly annuity or as a lump sum distribution. The Organization's objective in funding the Plan, in connection with the requirements of the Employee Retirement Income Security Act of 1974, is to accumulate funds to provide for all benefits and to maintain a relatively stable contribution level. The Plan is measured as of June 30th.

The following table sets forth the weighted average assumptions used to determine net periodic benefit expense and benefit obligations as of June 30 each year:

	2017	**2016**
Discount rate	3.6%	3.5%
Expected long-term return on plan assets	7.5%	7.5%
Rate of compensation increase	2.5%	2.5%

The Organization's expected long-term return on plan assets assumption is based on a periodic review and modeling of the Plan's asset allocation and liability structure over a long-term period. Expectations of returns for each asset class are based on comprehensive reviews of historical data and economic/financial market theory. Contributions to the Plan are based on the expected long-term rate of return on plan assets assumption of 7.5%, which was selected using the "building block" approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27 - *Selection of Economic Assumptions for Measuring Pension Obligations*.

The following table sets forth the funded status, components of pension expense and amounts included in the Organization's statement of financial position for the Plan:

	2017	**2016**
Projected benefit obligation	$ (17,329,719)	$ (16,630,851)
Plan assets at fair value	16,053,844	13,218,079
Funded plan status liability (included in pension plan and postretirement plan liabilities)	$ (1,275,875)	$ (3,412,772)

Net periodic benefit expense (included in taxes and benefits expenses) includes the following components:

	2017	2016
Service cost	$ 792,993	$ 652,909
Interest cost	581,655	683,043
Expected return on plan assets	(998,470)	(1,168,064)
Net amortization of actuarial loss	576,727	373,168
Loss due to settlement	—	1,108,524
	$ 952,905	$ 1,649,580

A loss due to settlement of $1,108,524 was recorded for the year ended June 30, 2016. This loss due to settlement was required because the sum of all lump-sum payments and annuity purchases for the year exceeded the sum of the service cost and interest cost for the year. There was no such loss recorded for the year ended June 30, 2017.

Amounts recognized on the statement of activities for pension and postretirement changes other than net periodic benefit costs consist of the following:

	2017	2016
Net gain (loss) - pension plan	$ 1,289,802	$ (1,514,215)
Net gain (loss) - postretirement welfare plan (Note 11)	206,234	(636,115)
	$ 1,496,036	$ (2,150,330)

The accumulated benefit obligation was $15,878,462 and $15,153,980 on June 30, 2017 and 2016, respectively. The accumulated benefit obligation differs from the projected benefit obligation in that it considers service and compensation earned by participants only prior to the valuation date.

Amounts expected to be reflected in Net Periodic Benefit Cost (excluding the period service cost, interest cost and return on plan assets) in the year ending June 30, 2018:

Net prior service cost	$ —
Net actuarial loss	393,654
	$ 393,654

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2017 and 2016:

	June 30, 2017		
	Level 1	**Level 2**	**Total**
Pooled Separate Accounts			
Mutual funds - domestic large cap index	$ —	$ 5,463,737	$ 5,463,737
Money Market Accounts			
Short-term investments	19,422	—	19,422
Mutual funds			
Domestic mid-cap index	1,526,560	—	1,526,560
Foreign large cap index	2,178,273	—	2,178,273
Real estate index	816,106	—	816,106
Fixed Income mutual funds			
Intermediate term bond index	4,460,211	—	4,460,211
Total assets at fair value	$ 9,000,572	$ 5,463,737	$ 14,464,309

	June 30, 2016		
	Level 1	**Level 2**	**Total**
Pooled Separate Accounts			
Mutual funds - domestic large cap index	$ —	$ 4,406,162	$ 4,406,162
Money Market Accounts			
Short-term investments	19,361	—	19,361
Mutual funds			
Domestic mid-cap index	1,255,303	—	1,255,303
Foreign large cap index	1,813,994	—	1,813,994
Real estate index	832,153	—	832,153
Fixed Income mutual funds			
Intermediate term bond index	4,479,518	—	4,479,518
Total assets at fair value	$ 8,400,329	$ 4,406,162	$ 12,806,491

Plan Assets also include a group annuity reported at its contract value of $1,589,535 and $411,588 at June 30, 2017 and 2016, respectively.

The Organization's pension plan weighted average asset allocations by asset category are as follows:

	2017		2016	
	Amount	**%**	**Amount**	**%**
Fixed income funds, fixed interest group annuity contract and money markets	$ 6,069,168	37.8%	$ 4,910,467	37.1%
Equity funds	9,984,676	62.2%	8,307,612	62.9%
	$ 16,053,844		$ 13,218,079	

The asset allocation goal of the pension assets is generally 65% equity funds and 35% fixed income. The assets are to be invested in conservative, well-known vehicles traded on established U.S. exchanges.

The Organization has adopted a total return strategy and capital growth objective seeking to achieve a long-term rate of return, net of expenses, in excess of inflation, that also approximates or exceeds the assumed actuarial rate, and that approximates or exceeds the performance of a blended benchmark based on the Plan's target asset allocation.

The long-term investment horizon, strong financial condition of the Organization, funding status, type of plan and return objective indicate a moderate level of investment risk is necessary and appropriate.

Census data used in calculating the Organization's benefit obligation is as of June 30 of each plan year.

Based upon actuarial calculations, the Organization was not required to make a minimum contribution in 2017. Scheduled contributions, as recommended by actuarial valuation, were $841,431 and $631,664 for 2017 and 2016, respectively.

The Organization contributed $1,800,000 and $1,000,000 to the Plan in 2017 and 2016, respectively. Benefits paid to participants amounted to $275,349 and $3,221,198 for the years ended June 30, 2017 and 2016, respectively.

The Organization intends to contribute $1,000,000 in the year ending June 30, 2018.

Benefit payments estimated to be paid out in the event all participants requested their payouts are as follows:

Fiscal Year	Amount
2018	$ 2,226,000
2019	2,764,000
2020	579,000
2021	597,000
2022	1,731,000
2023 - 2027	6,844,000

The Organization also maintains a 403(b) plan for eligible employees. Employees are allowed to contribute a percentage of their salaries up to a specified maximum. The 403(b) plan allows employer contributions. Employer contributions made to the plan for 2017 and 2016 amounted to $29,750 and $25,750, respectively.

On June 14, 2017, the Executive Committee of Organization approved a partial freeze on eligibility and accrued benefits for the defined benefit pension plan effective December 31, 2017. Only certain participants will continue to accrue benefits after the freeze. For those participants who are no longer accruing benefits, the Executive Committee approved an increase in Organization contributions to the plan effective January 1, 2018. The Organization contribution will be changed to 4% of eligible compensation plus $21 each pay date, plus an additional matching contribution up to 3% of compensation.

11. Postretirement Welfare Plan

In addition to providing pension benefits, the Organization provides healthcare benefits for certain retired employees. Substantially all of the Organization employees hired prior to July 1, 1990 and who retire from the Organization with 10 years of service are eligible for such benefits. None hired after that time are eligible. The benefits provide for the continuation of healthcare coverage with applicable employee contributions based on the particular coverage each eligible retiree selects. At age 65, coverage is provided as a supplement to Medicare at 100% if individual coverage is selected and at 50% for family coverage.

The following sets forth the amounts recognized in the Organization's statement of financial position and the related periodic postretirement benefit cost:

	2017	2016
Accumulated postretirement benefit obligation:		
Retirees and their beneficiaries/dependents	$ 2,254,932	$ 2,021,469
Fully eligible active participants	600,786	875,840
Other active participants	401,784	367,942
Accrued postretirement benefit obligation (included in pension plan and postretirement plan liabilities)	$ 3,257,502	$ 3,265,251

The Organization recognized expense related to the postretirement benefit obligation of $325,219 and $203,428 for the years ended June 30, 2017 and 2016, respectively. The assumed healthcare cost trend rate used in measuring the accumulated postretirement benefit obligation was 6.5% for the 2017 report and 7% for the 2016 report. In both years' reports, the trend rate is projected to decrease each year to an ultimate rate of 5%. The assumed discount rate used in determining the accumulated benefit obligation was 4.00% and 3.75% for the years ended June 30, 2017 and 2016, respectively.

The accumulated postretirement benefit obligation is not funded; it is on a pay-as-you go basis. Accordingly, this plan has no assets. Unrestricted net assets include the actuarial loss of $1,248,602 and $1,454,836 at June 30, 2017 and 2016, respectively.

The healthcare cost trend rate assumption has a significant effect on the amounts reported. To illustrate, increasing the assumed healthcare cost trend rates by one percentage point in each year would increase the accumulated postretirement benefit obligation (PBO) as of June 30, 2017 by $518,219 and the aggregate of the service and interest cost components of net period postretirement benefit cost for the year then ended by $23,029. A decrease of 1% in the trend rates would decrease the PBO by $419,188 and the aggregate of the service and interest cost components of net period postretirement benefit cost for the year then ended by $18,745.

The net periodic postretirement benefit cost for the year ending June 30, 2018 is expected to include $146,000 amortization of net actuarial loss.

Expected Employer Contributions	
Fiscal 2018*	$ 161,000

* Includes benefits expected to be paid from Organization assets

Expected Net Employer Benefit Payments	
Fiscal 2018	$ 161,000
Fiscal 2019	146,000
Fiscal 2020	150,000
Fiscal 2021	140,000
Fiscal 2022 - 2026	147,000
Fiscal 2023 - 2027	758,000

12. Leases

The Organization leases various automobiles, leases garage space for its employees and visitors in St. Louis and leases office space for its Southwest Illinois Division under operating leases extending through 2025. Employees share in the cost for their parking through payroll deductions. At June 30, 2017, the future minimum annual rental payments payable are as follows:

Fiscal Year	Amount
2018	$ 129,481
2019	107,138
2020	78,458
2021	77,810
2022	78,587
Thereafter	281,199
	$ 752,673

Rent expense amounted to $204,342 and $192,537 for the years ended June 30, 2017 and 2016, respectively.

13. Fair Value Measurements

Effective July 1, 2008, the Organization adopted the accounting standards for fair value measurements. The standard defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The accounting standard requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

There are three general valuation techniques that may be used to measure fair value, as described below:

- *Market approach* - Uses prices and other relevant information generated by market transactions involving identical or comparable asset or liabilities.

- *Cost approach* - Based on the amount that currently would be required to replace the service capacity of an asset.

- *Income approach* - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts.

Investments measured and reported at fair value are classified and disclosed in one of the following three categories:

Level 1 Quoted prices that are readily available in active markets/exchanges for identical investments.

Level 2 Pricing inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.

Level 3 Significant pricing inputs that are unobservable for the investment and includes investments for which there is little, if any, market activity for the investment.

The following are the major categories of assets measured at fair value on a recurring basis during the years ended June 30, 2017 and 2016 using quoted market prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

	June 30, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market accounts reported as cash	$ 8,610,300	$ —	$ —	$ 8,610,300
Money market accounts - short-term investments	1,983,253	—	—	1,983,253
Mutual funds				
Domestic large blend index	21,961,357	—	—	21,961,357
Foreign large blend index	6,256,650	—	—	6,256,650
Real estate index	2,179,381	—	—	2,179,381
Fixed income mutual funds				
Intermediate-term bond index	14,041,457	—	—	14,041,457
Charitable remainder trusts	—	—	5,917,819	5,917,819
Interests in perpetual trusts	—	—	4,972,347	4,972,347
Total Assets	$ 55,032,398	$ —	$ 10,890,166	$ 65,922,564

	June 30, 2016			
	Level 1	Level 2	Level 3	Total
Money market accounts reported as cash	$ 4,158,306	$ —	$ —	$ 4,158,306
Money market accounts - short-term investments	287,299	—	—	287,299
Mutual funds				
Domestic large blend index	17,601,523	—	—	17,601,523
Foreign large blend index	4,702,821	—	—	4,702,821
Real estate index	2,097,259	—	—	2,097,259
Fixed income mutual funds				
Intermediate-term bond index	12,147,448	—	—	12,147,448
Charitable remainder trusts	—	—	5,203,238	5,203,238
Interests in perpetual trusts	—	—	4,695,097	4,695,097
Total Assets	$ 40,994,656	$ —	$ 9,898,335	$ 50,892,991

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended June 30, 2017 and 2016:

	Beneficial Interest In Perpetual Trusts	Interests In Charitable Remainder Trusts
Balance - July 1, 2015	$ 4,936,636	$ 5,379,129
Change in value of split-interest agreements	(241,539)	(175,891)
Balance - June 30, 2016	4,695,097	5,203,238
Change in value of split-interest agreements	277,250	714,581
Balance - June 30, 2017	$ 4,972,347	$ 5,917,819

The beneficial interest in perpetual trusts held by others is valued using the fair value of the assets in the trusts as a practical expedient unless facts and circumstances indicate that the fair value of the assets in the trusts differs from the fair value of the beneficial interest.

Interests in charitable remainder trusts are measured at the present value of future cash flows considering the estimated return on the invested assets during the expected term of the agreement, the contractual payment obligations under the agreement, and a discount rate commensurate with the risks involved.

During 2017 and 2016, there were no changes in the methods and/or assumptions utilized to derive the fair value of the Organization's assets.

14. Calculation Of Overhead Ratio

	2017	**2016**
Total public support, revenue, gains and losses per statement of activities:	$ 75,250,037	$ 69,368,884
Add/subtract revenue items not included on 990:		
Donor designations	11,639,395	9,810,747
Donated advertising income	(23,550)	(86,350)
Net unrealized gains on investments	(3,208,708)	(201,636)
(Increase) decrease in value of split-interest agreements	(991,831)	417,430
Total revenue (Line 12, Part I of Form 990)	$ 82,665,343	$ 79,309,075
Total fundraising expenses per Statement of Activities	$ 4,755,950	$ 5,408,904
Less donated advertising expense not included on Form 990	(23,550)	(86,350)
Fundraising (Line 25(d), Part IX of Form 990)	4,732,400	5,322,554
Management and general (Line 25 (c), Part IX of Form 990)	2,198,454	1,982,655
Total overhead expenses	$ 6,930,854	$ 7,305,209
Overhead expenses as a percentage of total revenue	8.38%	9.21%

The Organization received a contribution to establish a permanent Overhead Endowment Fund during the year ended June 30, 2011. This Fund's purpose is to help offset the Organization's annual operating expenses and reduce its effective overhead percentage. Appropriation of earnings from this endowment occurred during the years ended June 30, 2017 and 2016 and had the following impact:

	2017	2016
Total overhead expenses	$ 6,930,854	$ 7,305,209
Distribution from Overhead Endowment Fund	(123,181)	(120,247)
Overhead expenses net of distribution from Overhead Endowment Fund	$ 6,807,673	$ 7,184,962
Overhead expenses as a percentage of total revenue after distribution from Overhead Endowment Fund	8.24%	9.06%

United Way Worldwide has prescribed a standard method for individual United Ways to calculate their overhead percentages. United Ways should calculate their overhead percentage using totals from their IRS Form 990. The amounts in the above schedule for the year ended June 30, 2017 are the amounts that are anticipated to be shown in the Form 990, which had not yet been prepared as of the date of this year's audit. Per a directive from United Way Worldwide, dues paid to them are to be allocated to both program services and supporting services. The amount of dues allocated to program services is $301,979 and $295,196 for the years ended June 30, 2017 and 2016, respectively. The amount of dues allocated to supporting services in 2017 included $187,166 to fundraising and $71,737 to management and general expenses. During 2016, these expenses were $200,031 and $62,273, respectively.

15. Other Assets

In 2017 and 2015, the Organization invested $400,000 and $600,000, respectively, to join a group organized by United Way Worldwide to assess the changing charitable landscape and develop a digital platform to engage potential investors. In 2017, the $400,000 payment was accounted for as an investment in the new philanthropic fund raising partnership, United Way Digital Services Holdings, LLC. The statement of financial position reflects the $400,000 investment as other assets at June 30, 2017. In 2015, the $600,000 expenditure was exploratory in nature and was used to evaluate the feasibility of developing a competitive philanthropic fund raising platform and included in expenses for the year then ended.

16. Contingencies

The Organization is subject to occasional legal claims arising out of the normal course of conducting its operations. Management does not expect that these matters will have a material adverse effect on the financial statements of the Organization.

Management Certifications

I hereby certify that as of November 22, 2017:

a) I have reviewed the audited financial statements of the United Way of Greater St. Louis, Inc. for the year ended June 30, 2017.

b) To the best of my knowledge, these financial statements neither contain any untrue statement of a material fact nor omit a material fact necessary to make the financial statements not misleading.

c) To the best of my knowledge, these financial statements and other financial information included in this report, fairly present, in all material respects, the financial condition, results of operations, and cash flows of United Way of Greater St. Louis, Inc. as of and for the year ended June 30, 2017.

Orvin T. Kimbrough
President and C.E.O.

Senior Vice President and C.F.O.