UNITED WAY OF GREATER ROCHESTER, INC.
AND AFFILIATES

Consolidated Financial Statements
as of March 31, 2019
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

September 9, 2019

To the Boards of Directors of
United Way of Greater Rochester, Inc. and Affiliates:

We have audited the accompanying consolidated financial statements of United Way of Greater Rochester, Inc. (a New York not-for-profit corporation) and Affiliates (collectively, the Organizations), which comprise the consolidated balance sheet as of March 31, 2019, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

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

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

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

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organizations as of March 31, 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

171 Sully's Trail
Pittsford, New York 14534
p (585) 381-1000
f (585) 381-3131

www.bonadio.com

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INDEPENDENT AUDITOR'S REPORT
(Continued)

Change in Accounting Principle
As described in Note 2 to the consolidated financial statements, United Way of Greater Rochester, Inc. and Affiliates implemented Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, and the effects have been included in these consolidated financial statements. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information
We have previously audited the Organizations' 2018 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated August 24, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2018 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2019 supplementary information contained in Exhibits I – III is presented for purposes of additional analysis of the consolidated financial statements, rather than to present the financial position, result of operations and cash flows of the individual companies, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The 2018 supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management, was derived from, and relates directly to the underlying accounting and other records used to prepare the 2018 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2018 consolidated supplementary information is fairly stated in all material respects in relation to the financial statements from which it has been derived.

Bonadio & Co., LLP

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATES

CONSOLIDATED BALANCE SHEET
MARCH 31, 2019
(With Comparative Totals for 2018)

	2019	2018
ASSETS		
Cash and cash equivalents	$ 7,928,502	$ 6,924,639
Pledges receivable, net	6,351,256	7,217,022
Government grants receivable	832,542	621,165
Bequests receivable	36,268	80,000
Investments	130,363,674	134,537,537
Property and equipment, net	1,919,060	1,801,758
Beneficial interest in split-interest agreements	4,089,640	4,271,633
Other assets	263,920	1,359,903
	$ 151,784,862	$ 156,813,657
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 993,490	$ 985,120
Due to agencies	5,441,625	6,475,315
Deferred revenue	1,049,427	71,300
Charitable gift annuity reserve	215,803	226,257
Funds held for others	-	111,813
Pension and postretirement plan liability	4,752,020	4,795,428
Total liabilities	12,452,365	12,665,233
NET ASSETS:		
Without donor restrictions -		
Undesignated	9,463,950	9,814,468
Board designated	3,633,775	2,531,743
Quasi-endowment	54,855,006	57,126,791
Total without donor restrictions	67,952,731	69,473,002
With donor restrictions	71,379,766	74,675,422
Total net assets	139,332,497	144,148,424
	$ 151,784,862	$ 156,813,657

The accompanying notes are an integral part of these statements.

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2019
(With Comparative Totals for 2018)

	2019			
	Without donor restrictions	With donor restrictions	Total	2018 Total
REVENUE, GAINS AND OTHER SUPPORT:				
Annual campaign, net	$ 16,346,218	$ 5,104,850	$ 21,451,068	$ 23,021,299
Less: Received as agent for other United Ways	(666,914)	-	(666,914)	(708,700)
Less: Provision for uncollectible pledges	(826,648)	-	(826,648)	(720,847)
Annual campaign, net	14,852,656	5,104,850	19,957,506	21,591,752
Investment income used in operations in accordance with the United Way's total return spending policy	4,933,942	-	4,933,942	4,850,362
Charitable gift fund gifts received	2,159,153	-	2,159,153	3,222,632
Donated goods and services	38,512	-	38,512	72,567
ROC the Day revenue, net	502,114	-	502,114	539,022
Endowment legacies and other gifts received, net	24,492	2,000	26,492	135,274
Government and other grant revenue	414,469	2,475,991	2,890,460	1,256,396
Foundation contributions	15,000,838	-	15,000,838	350,477
Other	1,670,773	29,274	1,700,047	538,316
	39,596,949	7,612,115	47,209,064	32,556,798
Net assets released from restrictions -				
Satisfaction of program restrictions	2,655,422	(2,655,422)	-	-
Appropriation of endowment assets for expenditure	2,385,637	(2,385,637)	-	-
Expiration of time restrictions	6,737,465	(6,737,465)	-	-
	11,778,524	(11,778,524)	-	-
Total revenue, gains and other support	51,375,473	(4,166,409)	47,209,064	32,556,798
EXPENSES:				
Program services -				
Allocations	23,218,601	-	23,218,601	24,211,760
Foundation allocations	15,000,000	-	15,000,000	250,000
Community investment and services	3,312,908	-	3,312,908	3,413,996
Grant funded programs	2,783,437	-	2,783,437	1,139,483
Total program services	44,314,946	-	44,314,946	29,015,239
Supporting services -				
Resource development	3,313,423	-	3,313,423	3,299,085
General management	1,961,599	-	1,961,599	1,934,253
Total supporting services	5,275,022	-	5,275,022	5,233,338
Total expenses	49,589,968	-	49,589,968	34,248,577
EXCESS (DEFICIENCY) OF REVENUE, GAINS AND OTHER SUPPORT OVER EXPENSES	1,785,505	(4,166,409)	(2,380,904)	(1,691,779)
OTHER ITEMS:				
Investment gains, net	1,358,845	870,753	2,229,598	12,974,895
Investment income used in operations in accordance with the United Way's total return spending policy	(4,933,942)	-	(4,933,942)	(4,850,362)
Change in funded status of pension and postretirement plans	269,321	-	269,321	824,423
CHANGE IN NET ASSETS	(1,520,271)	(3,295,656)	(4,815,927)	7,257,177
NET ASSETS - beginning of year	69,473,002	74,675,422	144,148,424	136,891,247
NET ASSETS - end of year	$ 67,952,731	$ 71,379,766	$ 139,332,497	$ 144,148,424

The accompanying notes are an integral part of these statements.

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2019
(With Comparative Totals for 2018)

	2019								
	Program Services				Supporting Services				
	Allocations	Community Investment and Services	Grant Funded Programs	Total	Resource Development	General Management	Total	Total	2018 Total
SALARIES AND RELATED EXPENSES:									
Salaries	$ -	$ 1,494,311	$ 461,124	$ 1,955,435	$ 1,523,446	$ 975,918	$ 2,499,364	$ 4,454,799	$ 4,096,115
Employee health, retirement, pension and postretirement expenses	-	559,438	60,842	620,280	504,698	350,493	855,191	1,475,471	1,530,361
Payroll taxes	-	110,767	35,353	146,120	108,035	67,563	175,598	321,718	291,688
Total salaries and related expenses	-	2,164,516	557,319	2,721,835	2,136,179	1,393,974	3,530,153	6,251,988	5,918,164
OTHER EXPENSES:									
Campaign allocations	20,201,970	-	-	20,201,970	-	-	-	20,201,970	21,150,718
Less: Granted as agent to other United Ways	(666,914)	-	-	(666,914)	-	-	-	(666,914)	(708,700)
	19,535,056	-	-	19,535,056	-	-	-	19,535,056	20,442,018
Charitable gift fund grants	3,183,597	-	-	3,183,597	-	-	-	3,183,597	3,252,790
Community initiative allocations	-	-	1,951,061	1,951,061	-	-	-	1,951,061	710,000
ROC the Day allocations	499,948	-	-	499,948	-	-	-	499,948	516,952
Foundation allocations	15,000,000	-	-	15,000,000	-	-	-	15,000,000	250,000
Purchase of services (including $8,744 and $18,035 of donated services in 2019 and 2018, respectively)	-	407,077	197,256	604,333	274,173	146,801	420,974	1,025,307	1,017,321
Organization meetings and conferences (including $2,025 and $1,971 of donated organization meetings and conferences expense in 2018 and 2017, respectively)	-	72,090	21,036	93,126	169,618	26,613	196,231	289,357	265,548
United Way Worldwide dues	-	100,725	-	100,725	102,874	67,970	170,844	271,569	291,013
Information technology	-	133,436	630	134,066	86,407	59,061	145,468	279,534	138,302
Printing, binding, and advertising	-	35,070	865	35,935	210,897	1,162	212,059	247,994	389,975
Rent and occupancy	-	45,568	-	45,568	48,507	26,241	74,748	120,316	109,865
Communication services	-	54,132	4,364	58,496	48,917	20,881	69,798	128,294	139,841
Professional fundraising counsel fees	-	-	-	-	-	-	-	-	124,500
Membership fees	-	62,068	1,384	63,452	10,743	8,051	18,794	82,246	79,606
Professional fees (including $25,983 and $47,105 of donated services in 2019 and 2018, respectively)	-	22,335	12,288	34,623	8,828	86,957	95,785	130,408	132,493
Insurance	-	30,054	-	30,054	26,297	18,783	45,080	75,134	74,891
Office supplies	-	35,425	7,514	42,939	32,418	22,146	54,564	97,503	44,730
Building maintenance and repairs	-	29,897	-	29,897	26,160	18,686	44,846	74,743	66,061
Transportation	-	8,184	11,278	19,462	23,851	5,002	28,853	48,315	33,521
Rental of equipment	-	9,794	6,668	16,462	9,793	5,804	15,597	32,059	30,321
Recognition programs (including $1,760 and $535 of donated items in 2019 and 2018, respectively)	-	22,087	1,110	23,197	34,949	960	35,909	59,106	50,680
Loss on disposal of property and equipment	-	3,617	-	3,617	3,164	2,260	5,424	9,041	2,713
Other	-	14,816	10,664	25,480	5,383	11,486	16,869	42,349	25,461
Total other expenses	38,218,601	1,086,375	2,226,118	41,531,094	1,122,979	528,864	1,651,843	43,182,937	28,188,602
Total expenses before depreciation	38,218,601	3,250,891	2,783,437	44,252,929	3,259,158	1,922,838	5,181,996	49,434,925	34,106,766
DEPRECIATION	-	62,017	-	62,017	54,265	38,761	93,026	155,043	141,811
Total expenses	$ 38,218,601	$ 3,312,908	$ 2,783,437	$ 44,314,946	$ 3,313,423	$ 1,961,599	$ 5,275,022	$ 49,589,968	$ 34,248,577

The accompanying notes are an integral part of these statements.

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019
(With Comparative Totals for 2018)

	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ (4,815,927)	$ 7,257,177
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Net realized and unrealized gain on investments	(360,904)	(11,127,369)
Sale proceeds of donated financial assets	964,183	2,855,124
Depreciation	155,043	141,811
Loss on disposal of property and equipment	9,041	2,713
Permanently restricted legacies and gifts	(2,000)	(28,439)
Change in funded status of pension and postretirement plans	(269,321)	(824,423)
Provision for uncollectible pledges	826,648	720,847
Changes in:		
Pledges receivable	39,118	(586,707)
Government grants receivable	(211,377)	(347,461)
Other assets	1,095,983	(1,188,485)
Bequests receivable	43,732	332,600
Accounts payable and accrued expenses	8,370	(327,175)
Due to agencies	(1,033,690)	59,590
Deferred revenue	978,127	74,312
Funds held for others	(111,813)	5,012
Pension and postretirement plan liability	225,913	335,851
Net cash flow from operating activities	(2,458,874)	(2,645,022)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(281,386)	(77,867)
Purchases of investments	(13,086,095)	(32,993,957)
Sales of investments	16,656,679	35,946,172
Change in beneficial interest in split-interest arrangements	288,964	(253,598)
Net cash flow from investing activities	3,578,162	2,620,750
CASH FLOW FROM FINANCING ACTIVITIES:		
Permanently restricted legacies and gifts	2,000	28,439
Decrease in charitable gift annuity reserve	(10,454)	(10,816)
Change in pooled life income fund assets	(106,971)	12,837
Net cash flow from financing activities	(115,425)	30,460
CHANGE IN CASH AND CASH EQUIVALENTS	1,003,863	6,188
CASH AND CASH EQUIVALENTS - beginning of year	6,924,639	6,918,451
CASH AND CASH EQUIVALENTS - end of year	$ 7,928,502	$ 6,924,639

The accompanying notes are an integral part of these statements.

1. BASIS OF PRESENTATION AND DESCRIPTION OF THE ORGANIZATION

The consolidated financial statements include the combined funds of the United Way of Greater Rochester, Inc. (founded in 1918); the United Way of Wayne County, Inc.; the United Way of Ontario County, Inc.; the Genesee County United Way; the United Way of Livingston County, Inc.; and the United Way of Wyoming County, Inc. (collectively, the United Way). Under the terms of the affiliation agreements, each entity will maintain its corporate existence and any party may terminate the agreement with one year's advance notice to other parties.

The consolidated financial statements also include the accounts of UWGR Holding Company, Inc. (Holding Company), a not-for-profit corporation organized for the purpose of accepting, holding and managing gifts of real property, interests in real property, and other gifts for the sole benefit of United Way of Greater Rochester, Inc. United Way of Greater Rochester, Inc. is Holding Company's sole corporate member.

The consolidated financial statements also include the accounts of the Wegmans Family Foundation, Inc. An affiliation between The Wegmans Family Foundation, Inc. and the United Way of Greater Rochester, Inc. was approved in December 2017 that establishes the Foundation as a supporting organization of the United Way of Greater Rochester, Inc.

United Way's mission is to unite the good will and resources of the Greater Rochester community so that everyone can thrive. United Way addresses critical challenges by connecting local people in need with evidence-based programs, strategic funding investments, community initiatives, volunteer support and community leadership to direct resources and solve problems.

United Way is governed by a volunteer Board of Directors (Board) and carries out its purpose through various programs.

Annual Campaign and Year-Round Giving
As part of United Way's annual campaign, the resource development team secures financial and volunteer resources on a year-round basis by developing a long-range, revenue generating strategic plan. Critical components of that plan include recruiting high level volunteers to serve throughout the entire United Way organization; securing and conducting annual workplace campaigns in over 800 organizations; developing a new account acquisition model to secure first time employee campaigns and corporate contributions, with a special emphasis on the small business sector; and connecting community initiatives with government grants and funding for sustainable change. Additionally, an individual giving program is also utilized in the annual campaign that includes gifts from donors outside workplace campaigns of less than $10k, and cultivating major gifts of $10k and above for the Tocqueville Society. Other giving opportunities include Women's Leadership Council, African American Leadership Society, Circulo Latino Leadership Society, Labor Leaders Club and Emerging Leaders Society.

Community Impact
Through its annual campaign efforts, United Way invests donor dollars in the community by utilizing a network of community volunteers who, in coordination with trained staff, determine how to invest dollars in the most efficient and effective manner possible to ensure strong long-term results for our entire community. These dollars are invested where they will make a measurable impact on the community by funding programs, engaging in strategic community partnerships, mobilizing volunteers and advancing advocacy efforts in support of declared strategies to help across a person's lifespan—from babies to elders and everyone in between.

1. BASIS OF PRESENTATION AND DESCRIPTION OF THE ORGANIZATION (Continued)

Community Impact (Continued)

These programs are preventative and/or “evidence-based” – proven to work based on extensive research and effective long-lasting results. United Way of Greater Rochester, Inc. also allows donors to direct their campaign pledges to various service areas, funded providers and other eligible health and human service organizations.

Grant Funded Programs

United Way serves as a key community partner and fiscal agent for the Rochester-Monroe Anti-Poverty Initiative, a collective impact effort to reduce poverty in the Rochester and Monroe County region. This initiative is made possible by extraordinary community collaboration and integration with community leaders, local and state government, service providers and practitioners, faith institutions, volunteers, youth advocates, and importantly, the active participation of people impacted by poverty. There are three common themes that will serve as the foundation for all anti-poverty planning and implementation efforts, including community building, racial equity and trauma-informed actions. The initiative’s vision is to eliminate poverty by ensuring that every child lives in a stable family environment where the promise of economic mobility is a reality.

The Monroe County Systems Integration Project aims to establish connections between 300 local health, education and human services organizations by building technology and establishing relationships across sectors. This project is a priority identified by the Regional Economic Development Council, the Rochester-Monroe Anti-Poverty Initiative (RMAPI), and others as a critical need for our community, as well as a key need and priority identified by people living in poverty.

Charitable Gift Funds

United Way of Greater Rochester offers various opportunities for planned gifts, charitable gift funds and endowment giving. The charitable gift fund (CGF) program (donor advised fund) is a free service United Way provides to support donor’s philanthropic interests. A CGF can be established by an individual, family or group. Gifts are made to the CGF through cash, marketable securities or other assets. The donors may recommend grant distributions from their fund to any qualified domestic 501(c)(3) charity.

ROC the Day

ROC the Day is an annual 24-hour online event established by the United Way of Greater Rochester, Inc. that provides donors an opportunity to support more than 500 participating not-for-profit organizations in the nine-county Greater Rochester area. United Way powers the ROC the Day website, convenes community partners, recruits local not-for-profits to participate and processes the donations during the event. ROC the Day is open to any eligible not-for-profit in the nine-county Greater Rochester region, serving a variety of sectors including animals, arts and culture, environment, human services, health, education, religion and community development.

Leadership Development

United Way of Greater Rochester, Inc. provides leadership development programs in the following areas: African American Leadership, Latino Leadership, Asian Pacific Americans, Pride (LGTBQ), Emerging Leaders (under age 40) and Labor Unions. These leadership programs prepare individuals for leadership positions in the community, in particular, on the boards and committees of not-for-profit organizations. The labor participation program continues the collaborations and historic relationships between labor unions and United Way with the annual Union Community Assistance Network program, recognition of the work unions provide, as well as various activities aimed at promoting organized labor’s support.

1. BASIS OF PRESENTATION AND DESCRIPTION OF THE ORGANIZATION (Continued)

National Campaign Processing

United Way of Greater Rochester, Inc. provides processing for workplace campaigns where fundraising occurs at a national level. This processing includes collecting pledges, data entry of the pledges and payment to other United Ways and agencies as directed by the donor. Fees for this service are charged at a rate as allowed by the United Way Worldwide standards and are included in other revenue.

Affiliate Regional System

United Way of Greater Rochester, Inc. provides professional leadership and support services in the areas of governance, fundraising, communications, finance, pledge processing, information technology, human resources, marketing and fund distribution to independent United Way affiliates in Wayne, Ontario, Genesee, Livingston and Wyoming counties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of the United Way are prepared in conformity with accounting principles generally accepted in the United States (GAAP).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the United Way, Wegmans Family Foundation and Holding Company (collectively, the Organizations). All significant intercompany transactions and balances have been eliminated.

Change in Accounting Principle

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

- Reducing the number of classes of net assets from three to two (net assets with donor restrictions and net assets without donor restrictions);
- Requiring the presentation of expenses in both natural and functional classifications;
- Eliminating the requirement to disclose the components of investment return, as well as reporting investment return net of external and direct internal investment expenses;
- Requiring qualitative and quantitative disclosure regarding the Organization's liquidity and availability of resources (Note 3); and
- Accounting for underwater endowment funds.

ASU 2016-14 is effective for the Organization's year ending March 31, 2019, and was applied retrospectively with the exception of the disclosures regarding liquidity and availability of resources and presentation of expenses in both natural and functional classifications, which are presented for the current year only. The effects of this ASU have been included in these consolidated financial statements. There was no effect on total net assets or changes in net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting

The revenue, expenses and net assets of the Organizations are reported in the following classifications:

- **Without Donor Restrictions**
  Net assets without donor restrictions include funds available for operating activities. In addition, they include net investment in property and equipment and other resources specifically designated by the respective governing Boards.

- **With Donor Restrictions**
  Net assets with donor restrictions include investments and other assets received with donor stipulations that limit their use, as well as unrestricted investment earnings on permanently restricted endowment funds not yet appropriated for expenditure by the Board. When a donor restriction expires or the Board makes an appropriation, net assets with restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restriction. Additionally, net assets with donor restrictions include investments from endowments and beneficial interests in shared interest arrangements. These are subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity.

Cash and Cash Equivalents

The Organizations consider liquid investments, with a maturity of less than three months when purchased, to be cash equivalents. In addition, cash and cash equivalents include bank accounts and money market funds, which, at times, may exceed federally insured limits. The Organizations have not experienced any losses in such accounts and believe they are not exposed to any significant credit risk with respect to cash and cash equivalents.

Grants Receivable and Revenue

The United Way received grants from government, foundation and other funding sources for the purpose of funding the Rochester Monroe Anti-Poverty Initiative, Systems Integration Project, capital improvements and other programs. These amounts are recorded as revenue to the extent that expenses have been incurred for the program.

Bequests Receivable

The United Way is the beneficiary under various wills and trust agreements, the total realizable value of which is not presently determinable. Amounts are recorded as bequests receivable when a will is declared valid by a probate court and the proceeds are measurable. Bequest receivables recorded were $36,268 and $80,000 at March 31, 2019 and 2018, respectively.

Investments

The United Way invests in various types of investment vehicles that are recorded at fair value in the accompanying consolidated financial statements. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement - Definition and Hierarchy

The United Way uses various valuation techniques in determining fair value. Generally, accepted accounting principles establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the United Way. Unobservable inputs are inputs that reflect the United Way's assumptions about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the United Way has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation does not entail a significant degree of judgment.

- Level 2 - Valuations based on quoted prices in markets that are not active or for which all-significant inputs are observable, directly or indirectly.

- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Property and Equipment

Property and equipment are recorded at cost if purchased or the fair market value at the date of donation. The Organizations' policy is to capitalize all property and equipment purchases greater than $1,000 with a useful life greater than one year. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 3 to 15 years for equipment and furniture and 40 years for building and improvements. No depreciation expense is recognized in the year of acquisition for equipment and furniture. Depreciation is recognized in the first full month after acquisition for building and improvements.

Split-Interest Agreements

The United Way has recorded as contributions various types of split-interest agreements, including charitable remainder and perpetual trusts. With respect to charitable remainder trust agreements, the United Way has recorded the contributions as temporarily restricted revenue at the estimated fair value of the assets to be received based on the present value of the estimated future payments using a discount rate of 2.37% as of March 31, 2019, or, if the payout terms of the trust may be revised, their minimum interest in the fair value of the trust's assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Split-Interest Agreements (Continued)

Under the terms of perpetual trust arrangements, a donor establishes and funds a perpetual trust administered by an individual or organization other than the United Way. Under the terms of the trust, the United Way has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The United Way has recorded an asset at the estimated fair value of the United Way's beneficial interest in trust assets. Income earned on the trust assets is recorded as unrestricted revenue in the accompanying consolidated statement of activities unless otherwise restricted by the donor. Subsequent changes in fair value of the beneficial interest in the trust assets are recorded as a component of investment income in the permanently restricted net asset class.

Deferred Revenue

Deferred revenue consists primarily of cash received under grants that exceed the revenue earned, and is recorded in accounts payable and accrued expenses in the accompanying consolidated balance sheet. Grant revenue is recognized in the period in which expenses are incurred or the related work is performed in accordance with the terms of the grant.

Due to Agencies

The United Way allocates campaign pledges to agencies on a twelve-month cycle, which runs from August 1 to July 31 each year except for the Genesee County United Way and the United Way of Wyoming County. The amount accrued represents the final four months of 2018 campaign pledges due to be paid to agencies as of the United Way's fiscal year-end. All donor-designated pledges are paid in full to agencies by year-end. The Genesee County United Way and the United Way of Wyoming County allocation cycles run from January 1 to December 31 and October 1 through September 1, respectively. The amounts accrue 2018 campaign pledges due to be paid to agencies for the final nine-months and six-months, respectively.

Contributions

The United Way reports gifts of cash and other assets as with donor restrictions support if they are received with donor stipulations that limit their use. Contributions with donor restrictions whose restrictions are met in the same reporting period as the contributions are received are reported directly as support without donor restrictions.

Donated Goods and Services

The United Way recognizes contributed goods and services as revenue and expense if such services meet the criteria for recognition under generally accepted accounting principles. Donated services totaled $31,949 and $65,140 in fiscal 2019 and 2018, respectively. Donated services consist primarily of advertising services, including advertising time on television and radio stations, and advertisements placed in newspapers and legal services provided to the organization.

Donated goods totaled $3,785 and $2,506 in fiscal 2019 and 2018, respectively.

In addition to the previously described services, volunteers have donated significant amounts of time in support of the United Way's activities. These contributions have not been recorded as revenue and expense as they do not meet the criteria for recognition under generally accepted accounting principles.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Gains, Losses and Income

Dividend, interest and other investment income are reported in the period earned as increases in unrestricted net assets, unless the use of income on such assets is explicitly limited by donor-imposed restrictions. Investment income earned on endowment gifts with donor restrictions follows the donor's restrictions on the use of the related income (interest and dividends), and income without donor restrictions on permanent endowment funds is classified as with donor restrictions until appropriated for expenditure by the Board. Donor-restricted investment income is reported as an increase in net assets with donor restrictions. Gains and investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the gains and income are recognized.

Advertising Costs

Advertising costs are charged to expense as incurred. Advertising costs other than donated services were $165,741 and $262,628 in 2019 and 2018, respectively.

Expenses

United Way records allocations to agencies as allocations expense in the period such allocations are approved by the Board of Directors and commitments are made to the recipient agencies. United Way has a policy of making allocation commitments in July for an allocation-funding year of August 1 to July 31 except for Genesee Country United Way and the United Way of Wyoming County whose allocation funding cycles run from January 1 to December 31 and October 1 through September 1, respectively.

Charitable Gift Fund grants include grants recommended by donors to qualified organizations and approved for distribution from charitable gift funds.

The costs of providing various community investment and services, resource development and general management activities have been summarized on a functional basis in the statement of activities and change in net assets and are based on the percentage of salary dollars for the specific programs or activities to total salary expense. All other expenses are directly allocated to the program benefited by the expense.

Community Investment and Services expenses are incurred for the following programs described in footnote 1: annual campaign allocations and designations, charitable gift fund grants, ROC the Day allocations, Rochester Monroe Anti-Poverty Initiative, Systems Integration Project, Leadership Development and grants from the Wegmans Family Foundation.

Resource Development expenses are incurred to secure financial resources obtained through the annual campaign and individual and planned giving.

General Management expenses include the functions of the offices of the president, finance, information technology, human resources and facilities. Specific activities include accounting, endowment investment management, pledge processing (local and national campaigns), facilities management, data security, information technology support and human resources management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocation of Certain Expenses

The consolidated statement of functional expenses presents expenses by both functional and natural classification. Expenses directly attributable to a specific functional area or program of United Way of Greater Rochester are reported as expenses of those functional areas. Expenses that benefit multiple functional areas (indirect costs) have been allocated across Program and Supporting Services based on a review of the percent of time each person spends in a functional category. This overall calculation is then used as a general formula for allocating the following expenses: salaries and related expenses; organization meetings and conferences; United Way Worldwide dues; Information Technology; rent and occupancy; insurance; office supplies; building maintenance and repairs; rental equipment; interest and other expense.

Cost Deduction

The United Way may assess fundraising and management and general fees in accordance with the United Way Worldwide membership requirements as outlined in United Way Worldwide's publication titled "United Way of America Cost Deduction Requirements for Standard M." The standard establishes a maximum fee amount a United Way may assess another United Way organization. The United Way of Greater Rochester, Inc. follows the standard by charging the maximum fee allowed or less.

Income Taxes

The United Way and Holding Company are not-for-profit organizations and are exempt from income taxes as organizations qualified under Section 501(c)(3) of the Internal Revenue Code. The Organizations have also been classified by the Internal Revenue Service (IRS) as entities that are not private foundations. The Wegmans Family Foundation, Inc. is a public charity, Type I supporting organization to the United Way of Greater Rochester, Inc.

Comparative Information

The consolidated financial statements include certain prior year comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organizations' consolidated financial statements for the year ended March 31, 2018, from which the information was derived.

Estimates

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

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organizations' are substantially supported by contributions from the public and grant funds. In addition, the Organizations' hold financial assets for specific programmatic purposes and/or with specific donor designations. Thus, financial assets reported on the accompanying balance sheet may not be available for general expenditure within one year.

The Organizations' financial assets available within one year of the balance sheet date for general expenditures are as follows:

Financial assets at March 31, 2019	$ 149,673,513
Less: Financial assets unavailable for general expenditures within one year:	
Quasi-endowment	(54,855,006)
Endowment with donor restrictions	(62,010,361)
Permanently restricted perpetual trust	(3,528,786)
Split-interest agreements	(560,854)
Other long-term investments	(1,699,271)
Board designated net assets	(3,633,775)
Bequest receivable	(36,268)
Plus: Appropriation in accordance with United Way's total return spending policy	4,987,731
Financial assets available to meet cash needs for general expenditure within one year	$ 28,336,923

The Organizations maintains a policy of structuring its financial assets to be available as their general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs the United Way has a committed line of credit of $1,500,000, which it could draw upon if needed. Additionally, the Organizations have Board Designated net assets without donor restrictions that, while the Organizations do not intend to spend these for purposes other than those identified, the amounts could be made available for operations if necessary.

4. ANNUAL CAMPAIGN

The annual campaign is conducted to raise support for distribution to programs that are driven by demonstrated quality, customer focus and results.

Campaign results are as follows for the years ended March 31:

	2019	2018
Total amount raised	$ 24,827,585	$ 25,400,545
Less:		
State and federal campaign fundraising	(298,823)	(269,660)
Provision for doubtful pledges - current year	(826,352)	(720,847)
Perpetual gifts of investment income from bequests	(455,925)	(434,147)
Reversal of investment grants from advised funds	(1,771,696)	(1,815,244)
Amounts recorded in prior year	(6,622,847)	(6,982,395)
Add:		
Amounts recorded related to next year's campaign	5,105,564	6,413,500
Amount recorded in consolidated statement of activities	$ 19,957,506	$ 21,591,752

5. PLEDGES RECEIVABLE

At March 31, 2019 and 2018, contributors to the United Way had outstanding written unconditional promises to give in connection with annual campaigns as follows:

	2019	2018
2019 Campaign	$ 3,832,288	$ -
2018 Campaign	3,417,055	4,284,326
2017 Campaign	69,245	3,868.975
2016 Campaign	10,000	193,039
2015 Campaign and prior Campaigns	-	70,686
Less: Allowance for uncollectible pledges	(977,332)	(1,200,004)
	$ 6,351,256	$ 7,217,022

Most pledges lack due dates or are due within one year or less. Consequently, all pledges are recorded without any discount to present value. The United Way records an allowance for doubtful accounts in anticipation of future collection problems. The allowance for doubtful accounts is computed based on management estimates of current collectability and includes estimates of economic factors, which are applied to gross campaign pledges, including donor designations.

6. DONOR DIRECTED PLEDGES

Annual Campaign

As part of the annual campaign, United Way donors have the option of directing their pledges to various service areas, funded providers, and other eligible organizations as part of our annual campaign giving. Pledges directed to funded providers, which are in excess of the program allocation as determined by the United Way, are also remitted to the provider.

Annual campaign revenue includes donor directed pledges as follows for the years ended March 31:

	2019	2018
Donor directed pledges - funded providers	$ 1,121,307	$ 1,256,266
Donor directed pledges - funded providers in excess of program allocations	65,991	20,578
Donor directed pledges - other eligible organizations	6,022,223	6,468,470
	$ 7,209,521	$ 7,745,314

Donor directed pledges made through United Way of Greater Rochester, Inc.'s annual campaign are subject to the United Way's policy, which provides that the United Way can unilaterally redirect the funds otherwise designated by the donor should the United Way determine the designation is contrary to the goals and strategies of the United Way.

ROC the Day

As part of the ROC the Day event, United Way donors have the option of designating their donations to local not-for-profit organizations approved for participation in the event. Designations to ROC the Day, excluding sponsorships, were $502,114 and $539,022 as of March 31, 2019 and 2018, respectively.

7. INVESTMENTS

Investments consisted of the following at March 31:

	2019	2018
Mutual funds and pooled funds:		
Domestic equity mutual funds	$ 41,304,755	$ 41,838,510
International equity mutual and pooled funds	36,414,540	38,967,243
Fixed income mutual and pooled funds	11,652,747	11,694,708
Balanced mutual funds	11,375,411	16,956,354
Flexible capital	5,552,061	86,750
Private equity	38,913	220,637
Inflation risk management:		
Real estate	9,397,387	7,961,109
Commodities	2,412,070	2,535,485
Treasury inflation protected securities	4,747,417	2,437,349
Natural resources	-	3,021,602
Fixed income:		
U.S. government obligations	6,063,989	7,115,205
Corporate bonds	72,443	73,926
Common stocks	183,731	287,408
Temporary investments	1,148,210	1,341,251
	$ 130,363,674	$ 134,537,537

For the years ended March 31, 2019 and 2018, the total amount of investment income, including amounts appropriated under and used in operations in accordance with the United Way's total return spending policy, are as follows:

	2019	2018
Interest and dividends	$ 2,576,131	$ 2,252,549
Realized and unrealized gains, net	361,044	11,127,369
Fees	(628,681)	(621,982)
Gains (losses) on split interest agreements	(78,896)	216,959
	$ 2,229,598	$ 12,974,895

8. SPLIT-INTEREST AGREEMENTS

Assets related to split-interest agreements, valued at fair value, consisted of the following at March 31:

	2019	2018
Perpetual trusts	$ 3,528,786	$ 3,618,237
Pooled life income fund	179,398	286,369
Charitable remainder trusts	322,664	303,801
Life insurance	38,716	38,015
UWW Charitable Gift Annuity	20,076	25,211
	$ 4,089,640	$ 4,271,633

8. SPLIT-INTEREST AGREEMENTS (continued)

In addition, included in the United Way's investments are certain assets given under the term of charitable gift annuities for which United Way is the trustee. Liabilities related to these agreements were $215,803 and $226,257, respectively, at March 31, 2019 and 2018. Liabilities are recorded equal to the estimated present value of payments that the United Way is required to make to specified beneficiaries under the terms of these agreements.

In conjunction with their pooled life income fund, the United Way has recorded a liability related to funds held for others in the amount of $111,813 at March 31, 2018 which was paid out in fiscal 2019.

The change in value of split-interest agreements was $78,872 and $216,959 for the years ended March 31, 2019 and 2018, respectively, and is included in "Investment gains" in the accompanying consolidated statement of activities and change in net assets.

9. FAIR VALUE MEASUREMENTS

General

Fair value of the United Way's domestic equity mutual funds, international equity mutual funds, fixed income mutual funds and balanced mutual funds, U.S. government obligations and common stocks is determined based on quoted market prices. The fair value of all of the United Way's international equity pooled funds and fixed income pooled funds are stated at fair market value utilizing net asset value (NAV) provided by the underlying fund managers as a practical expedient for determining fair value of the investment. All of the United Way's corporate bonds are determined by entering standard inputs into a pricing model. These inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads and industry and economic events.

Split-Interest Agreements

The fair value of the United Way's split-interest agreements is determined on a recurring basis by estimating the present value of future cash flows, which incorporates an estimate of an annual rate of return on trust assets, life expectancy and discount rate. Trust assets held in split-interest agreements include publicly traded equity securities and corporate and U.S. government bonds.

Flexible Capital Funds

The United Way utilized the NAV reported by each of the flexible capital funds as a practical expedient for determining fair value of the investment. These investments are redeemable at NAV under the original terms of the subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by these funds, changes in market conditions and the economic environment may significantly impact the NAV of the funds and, consequently, the fair value of the United Way's interest in the funds. Furthermore, changes to the liquidity provisions of the funds may significantly impact the fair value of the United Way's interest in the funds.

9. FAIR VALUE MEASUREMENTS (Continued)

Flexible Capital Funds (Continued)

The United Way's flexible capital fund strategies are described as follows:

Archstone Offshore Fund, Ltd.

The United Way had an investment in this fund of $86,750 at March 31, 2018. The fund was formed primarily with the purpose of achieving long-term growth of capital with reduced volatility by allocating its capital among various money managers that, as a group, employ a variety of investment techniques and strategies. The fund is a multi-manager, multi-strategy fund of funds formed to invest predominantly in limited partnerships and similar pooled investment vehicles. After an initial one-year lock-up period that ended April 30, 2010, the fund allows quarterly redemption with a 90-day redemption notice period. his limited partnership closed the fund and is returning all capital.

As of March 31, 2019, the United Way has commenced redemption of their investments with the Archstone Offshore Funds. Final cash payment in the amount of $29,691 was received in April 2019. The expected cash is included as a component of other assets on the accompanying consolidated balance sheet.

Lakewood Capital Offshore Fund, Ltd.

The United Way has an investment in this fund of $1,515,139 at March 31, 2019. The fund was formed to earn long-term rates of return with an emphasis on capital preservation. The fund was purchased June 30, 2018, and any redemptions redeemed in the first year require an early redemption fee. After June 30, 2019, the investment will be liquid and redeemable only quarterly.

Davidson Kempner Institutional Partners, L.P.

The United Way has an investment in this fund of $2,057,923 at March 31, 2019. The fund was formed to achieve capital appreciation, using a multi-strategy fund with an event driven focus. The fund was purchased May 1, 2018, and investors are permitted to make complete or partial withdrawals of capital as of the last day of each calendar quarter.

Varde Credit Partners (Offshore), Ltd.

The United Way has an investment in this fund of $1,978,999 at March 31, 2019. The fund is constructed to identify credit-focused investment opportunities around the globe. The fund was purchased July 1, 2018, and redemptions require 90 days' notice.

Private Equity

The United Way invested in a private equity partnership with Gilbert Global Equity Partners, L.P. in March 1999. As of December 31, 2017, this investment was transferred to GGEP CPM Holdings, LLC. This is an illiquid partnership, which is expected to be distributed in the near term.

Inflation Risk Management Securities

United Way's inflation risk management strategies consist of a real estate investment trust pooled fund, a commodities pooled fund, a Treasury Inflation Protected Security (TIPS) mutual fund and natural resource mutual fund. The mutual funds are daily priced mutual funds.

9. FAIR VALUE MEASUREMENTS (Continued)

The fair value of the United Way's investment in real estate was $9,397,388 and $7,961,109 at March 31, 2019 and 2018, respectively. The underlying securities are real estate investment trusts (REITs), which are publicly traded with a daily quoted market price. The fair value of the United Way's investment in the commodities pooled fund was $2,412,070 and $2,535,485 at March 31, 2019 and 2018, respectively. The underlying securities are commodities, publicly traded with a daily quoted market price. Fair value of both of these pooled fund investments are determined utilizing the current net asset value (NAV), derived from the value of the underlying investments input into an industry standard valuation model.

Temporary investments consist of cash included in the investment portfolio expected to be reinvested.

The United Way's investments and split-interest agreements are classified in the following fair value hierarchy at March 31, 2019:

Investments	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	NAV as Practical Expedient	Total
Mutual funds:					
Domestic equity mutual funds	$ 41,279,310	$ -	$ -	$ 25,445	$ 41,304,755
International equity mutual funds	7,887,573	-	-	-	7,887,573
Fixed income mutual funds	6,745,433	-	-	-	6,745,433
Balanced mutual funds	11,333,490	-	-	41,921	11,375,411
Pooled funds:					
International equity pooled funds	-	-	-	28,526,967	28,526,967
Fixed income pooled funds	-	-	-	4,907,314	4,907,314
Flexible capital:					
Davidson Kempner Institutional Ptr	-	-	-	2,057,923	2,057,923
Lakewood Capital Offshore Fund	-	-	-	1,515,139	1,515,139
Varde Credit Partners (Offshore)	-	-	-	1,978,999	1,978,999
Private equity	-	-	38,913	-	38,913
Inflation risk management:					
Real estate	111,107	-	-	9,286,280	9,397,387
Commodities	8,295	-	-	2,403,775	2,412,070
Treasury inflation protected securities	4,747,417	-	-	-	4,747,417
Fixed income:					
U.S. government obligations	6,063,989	-	-	-	6,063,989
Corporate bonds	-	72,443	-	-	72,443
Common stocks	183,731	-	-	-	183,731
Total investments	$ 78,360,345	$ 72,443	$ 38,913	$ 50,743,763	$ 129,215,464

Split-interest agreements	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	NAV as Practical Expedient	Total
	$ 179,398	$ -	$ -	$ -	$ 179,398
Pooled life income fund	-	3,910,242	-	-	3,910,242
Other split-interest agreements					
Total split-interest agreements	$ 179,398	$ 3,910,242	$ -	$ -	$ 4,089,640

9. FAIR VALUE OF MEASUREMENTS (Continued)

The United Way's investments and split-interest agreements are classified in the following fair value hierarchy at March 31, 2018:

Investments	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	NAV as Practical Expedient	Total
Mutual funds:					
Domestic equity mutual funds	$ 41,811,291	$ -	$ -	$ 27,219	$ 41,838,510
International equity mutual funds	8,588,997	-	-	-	8,588,997
Fixed income mutual funds	6,661,578	-	-	-	6,661,578
Balanced mutual funds	16,934,399	-	-	21,955	16,956,354
Pooled funds:					
International equity pooled funds	-	-	-	30,378,246	30,378,246
Fixed income pooled funds	-	-	-	5,033,130	5,033,130
Flexible capital:					
Archstone Offshore Fund Ltd.	-	-	-	86,750	86,750
Private equity	-	-	220,637	-	220,637
Inflation risk management:					
Real estate	100,979	-	-	7,860,130	7,961,109
Commodities	-	-	-	2,535,485	2,535,485
Treasury inflation protected securities	2,437,349	-	-	-	2,437,349
Natural resources	3,021,602	-	-	-	3,021,602
Fixed income:					
U.S. government obligations	7,115,205	-	-	-	7,115,205
Corporate bonds	-	73,926	-	-	73,926
Common stocks	287,408	-	-	-	287,408
Total investments	$ 86,958,808	$ 73,926	$ 220,637	$ 45,942,915	$ 133,196,286
Split-interest agreements					
	$ 286,369	$ -	$ -	$ -	$ 286,369
Pooled life income fund	-	3,985,264	-	-	3,985,264
Other split-interest agreements					
Total split-interest agreements	$ 286,369	$ 3,985,264	$ -	$ -	$ 4,271,633

9. FAIR VALUE MEASUREMENTS (Continued)

The following is a reconciliation of the beginning and ending balances for the United Way's flexible capital investments, which are measured at fair value using significant unobservable inputs (Level 3):

	Private Equity
Balance at April 1, 2017	$ 299,097
Unrealized losses	(138)
Distributions	(78,322)
Balance at March 31, 2018	220,637
Unrealized losses	(217,441)
Realized gains	570,410
Distribution	(534,693)
Balance at March 31, 2019	$ 38,913

10. CHARITABLE GIFT FUNDS

At March 31, 2019 and 2018, the Organizations held investments of approximately $11,400,000 and $12,400,000, respectively, as part of the United Way's Charitable Gift Fund (Donor Advised Fund) program. These amounts represent unrestricted contributions received by the United Way. However, the donors may make non-binding recommendations to the United Way as to the timing, amount and recipient of distributions from these funds, including the distribution of fund principal.

11. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31:

	2019	2018
Land	$ 228,000	$ 228,000
Building and improvements	3,196,849	3,009,036
Equipment	211,369	225,127
Furniture and fixtures	73,389	77,469
Computer equipment	506,765	447,092
	4,216,372	3,986,724
Less: Accumulated depreciation	(2,297,312)	(2,184,966)
	$ 1,919,060	$ 1,801,758

12. PENSION AND OTHER POSTRETIREMENT BENEFITS

Pension Plan

The United Way maintains a noncontributory defined benefit pension plan that provides retirement, disability and death benefits and covers individuals who were employees of the United Way of Greater Rochester, Inc. and United Way Services Corporation (collectively, the Organizations) prior to January 1, 2007. The Plan was frozen by United Way of Greater Rochester, Inc.'s Board of Directors as of January 1, 2007 at which time it was replaced by a 403(b) plan. The United Way's funding policy is to contribute annually an amount that meets the minimum funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

Measurement Dates

The measurement date for the year-end benefit obligations and assets is March 31 for the fiscal years ended March 31, 2019 and 2018.

Funded Status

Obligations and funded status of the plan are as follows:

	2019	2018
Projected benefit obligation	$ (13,312,054)	$ (13,245,365)
Fair value of plan assets at end of year	10,610,722	10,547,520
Funded status	$ (2,701,332)	$ (2,697,845)
Accumulated benefit obligation	$ (13,312,054)	$ (13,245,365)
Employer contributions	$ 326,100	$ 326,000
Benefit payments	$ (721,607)	$ (720,892)

Financial Statement Recognition

As of March 31, the following amounts were recognized in the consolidated balance sheet:

	2019	2018
As a non-current liability	$ (2,701,332)	$ (2,697,845)

Amounts recognized in the consolidated statements of activities and changes in net assets as of March 31 consist of:

	2019	2018
Net periodic cost	$ 428,079	$ 570,237

12. PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

Financial Statement Recognition (Continued)

As of March 31, 2019, the following items included in net assets had not yet been recognized as components of benefits expense:

	Net Actuarial Loss
Unrecognized amounts at March 31, 2019	$ 4,152,346
Expected amortization of unrecognized items in next year's expense	$ 602,422

For the year ended March 31, 2019, the United Way recognized $552,132 related to the amortization of its net actuarial loss in the consolidated statement of activities and change in net assets.

Assumptions

Weighted average assumptions used to determine benefit obligations at March 31, are as follows:

	2019	2018
Discount rate	3.56%	3.78%
Average annual increase in compensation	N/A	N/A
Expected long-term rate of return on plan assets	6.50%	7.0%

The expected long-term rate of return on plan assets was developed by considering historical plan performance, current asset allocation and forecasts of future returns.

The United Way uses the RP-2014 Mortality Table for the actuarial calculation of Plan obligations.

Plan Assets

The United Way's pension plan weighted average asset allocations at March 31, 2019 and 2018, by asset category, were as follows:

	2019	2018	Target
Equity securities	36%	36%	36%
Fixed income securities	40%	30%	40%
International securities	24%	24%	24%
Real estate	0%	10%	0%
	100%	100%	100%

Effective January 2019, the United Way approved a change to the investment policy. The revised overall objective for investing the Pension Plan is to reduce the volatility in the funded status with the benchmark being the plan's liabilities. This strategy focuses on aligning investments with similar interest rates and duration with the anticipated pension liability exposure, with the objective to manage the funded status of the pension plan. The plan will invest assets using a glide path methodology and will adjust the asset allocation based on interest/discount rates and funded status of the plan.

12. PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

Plan Assets (Continued)
The fair values of the pension plan assets at March 31, 2019 are as follows:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Cash and equivalents	$ 61,614	$ -	$ -	$ 61,614
Vanguard Total Bond Market Index Fund	526,995	-	-	526,995
Vanguard Intermediate-Term Investment Grade Bonds	526,602	-	-	526,602
Vanguard Long Term Bond Index Fund	2,117,866	-	-	2,117,866
Vanguard Total Stock Market Index Fund	3,794,567	-	-	3,794,567
Vanguard Long-Term Inv Grade Fund	1,056,328	-	-	1,056,328
Vanguard Total International Stock Index	2,526,750	-	-	2,526,750
	$ 10,610,722	$ -	$ -	$ 10,610,722

The fair values of the pension plan assets at March 31, 2018 are as follows:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Cash and equivalents	$ 67,109	$ -	$ -	$ 67,109
Vanguard Total Bond Market Index Fund	1,579,877	-	-	1,579,877
Vanguard Intermediate-Term Investment Grade Bonds	947,862	-	-	947,862
Vanguard Short-term Investment Grade bonds	631,382	-	-	631,382
Vanguard Total Stock Market Index Fund	3,743,432	-	-	3,743,432
Vanguard REIT Index Fund	1,049,777	-	-	1,049,777
Vanguard Total International Stock Index	2,528,081	-	-	2,528,081
	$ 10,547,520	$ -	$ -	$ 10,547,520

Contributions
The United Way contributed $326,100 to the Plan in calendar year 2019, which will comply with the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

12. PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

Estimated Future Benefit Payments

Benefit payments are expected to be paid as follows:

2020	$	761,344
2021	$	759,525
2022	$	761,586
2023	$	786,177
2024	$	814,932
2025 – 2029	$	4,173,420

Other Postretirement Benefits Plan

The United Way provides health care for employees who retire from United Way and have attained age 55 with 10 years of service. The United Way's policy is to contribute amounts to this plan on an annual basis as needed for current benefit payments. The plan was amended in January 2015 to increase the maximum amount contributed for health insurance benefits for post-65 retirees from $80 to $85 per month including participating in other medical plans. The formula for early retirees has been changed and provides the same benefit for the retiree as if they were an active employee.

For employees who retired prior to July 2014, a life insurance benefit of one quarter of their final salary is also provided.

The measurement date for the year-end benefit obligations and assets is March 31 for the fiscal years ended March 31, 2019 and 2018.

The following table sets forth the Plan's funded status and expense recognized in the United Way's consolidated financial statements as of and for the years ended March 31, 2019 and 2018 based on actuarial reports.

	2019	2018
Accumulated postretirement benefit obligation	$ (2,050,688)	$ (2,097,583)
Market value of plan assets	-	-
Funded status	$ (2,050,688)	$ (2,097,583)
Net periodic postretirement benefit expense	$ 174,941	$ 160,261
Employer contributions	$ 65,085	$ 63,738
Benefits paid	$ 80,126	$ 82,247

As of March 31, the following amounts were recognized in the consolidated balance sheet:

	2019	2018
As a liability	$ (2,050,688)	$ (2,097,583)
Amounts unamortized in other change in net assets at March 31:		
Actuarial gain recognition	$ 349,358	$ 513,048
Prior service costs	$ 5,008	$ (1,931)

12. PENSION AND OTHER POSTRETIREMENT BENEFITS (Continued)

Other Postretirement Benefits Plan (Continued)

Amounts expected to be amortized in other change in net assets in the coming year:				
Actuarial loss recognition	$	(34,348)	$	(25,345)
Prior service costs	$	6,939	$	6,939

The significant actuarial assumptions on which the actuarial valuations were based are:

	2019	2018
Discount rate	3.48%	3.70%
Medical care cost trend rate - Pre 65	7.00%	7.25%
Medical care cost trend rate - Post 65	5.00%	5.00%
Rate of future salary increases	3.25%	3.25%

The medical care cost trend rate used in the actuarial computation for 2019 gradually reduces to 3.784% in fiscal 2075 and subsequent years.

It was determined that the effect of a one-percentage point change in the assumed rates would not materially increase or decrease the accrued postretirement benefit cost and postretirement benefit expense.

The United Way did not seek the 28% Retiree Drug Subsidy offered by Medicare Part D effective January 1, 2006. Therefore, the actuary did not recognize the impact of the Medicare Prescription Drug Improvement and Modernization Act of 2003 on the Plan's accumulated benefit obligation or periodic pension cost.

In general, the United Way intends to fund the postretirement plan on a pay as incurred basis. The following table of benefit payments are expected to be paid:

2020	$	149,840
2021	$	176,435
2022	$	177,879
2023	$	155,356
2024	$	175,880
2025 – 2029	$	717,574

13. RETIREMENT PLAN

The United Way sponsors a retirement plan qualified under Section 403(b) of the Internal Revenue Code. All employees of the United Way may elect to contribute a percentage of their compensation subject to limitations imposed by the Internal Revenue Service. For qualifying employees, the United Way makes contributions to the plan. The United Way recognized $301,231 and $317,197 of expense related to the Plan in 2019 and 2018, respectively.

The United Way also has plans qualified under Section 457 of the Internal Revenue Code for highly compensated employees. The United Way recognized $13,466 and $12,360 of expense related to these Plans in 2019 and 2018, respectively.

14. LINE-OF-CREDIT

The United Way has an annually renewable line-of-credit agreement with J.P. Morgan Chase Bank allowing maximum borrowings of $1,500,000. Amounts borrowed are unsecured and bear interest at the greater of the prime rate or the Adjusted One Month LIBOR Rate plus 2.5% (the LIBOR rate was 2.5% at March 31, 2019). There were no amounts outstanding under this agreement at March 31, 2019 and 2018.

There was no interest paid on the line-of-credit in 2019 or 2018.

15. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. The Board has designated a portion of net assets without donor restrictions as a quasi-endowment for the purpose of securing the Organization's long-term financial viability. The Organization's net assets without donor restrictions is comprised of undesignated and Board designated amounts for the following purposes, as follows:

	2019	2018
Board designated	$ 3,633,775	$ 2,531,743
Undesignated	9,463,950	9,814,468
Quasi-endowment	54,855,006	57,126,791
	$ 67,952,731	$ 69,473,002

Net assets are designated for the following purposes at March 31, 2019. The Board of Directors has designated the following amounts to meet anticipated program expansion and future needs.

	2019	2018
Community Investment Fund	$ 1,159,300	$ -
Wayne County	579,872	593,426
Ontario County	461,171	541,956
Innovation Fund	287,582	-
Blueprint Fund	244,803	203,451
UWGR Holding Co. Capital Reserve Fund	241,215	216,069
Genesee County	108,024	122,783
Synergy Fund	107,045	186,120
Livingston County	101,883	107,030
Community Partnership Fund	101,232	-
Hardware/Software acquisition	94,235	139,866
Wyoming County	77,824	79,393
Operating Surplus	46,825	181,897
UWSC Post Retirement Reserve Fund	21,850	22,721
Emergency Assistance	914	2,113
Berman Fund	-	134,918
	$ 3,633,775	$ 2,531,743

16. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows at March 31:

	2019	2018
Endowment:		
Time restricted - for use as part of a future year annual campaign	$ 589,575	$ 690,415
Time restricted - living endowment arrangements	23,695	30,043
Time restricted - to be used for agency capital projects	1,348,151	1,387,368
Accumulated unappropriated earnings on permanently restricted endowment funds	28,558,897	30,424,450
Program restrictions	627,856	723,530
Endowment funds to be held in perpetuity	33,446,369	33,449,904
George L. & Elizabeth C. Todd Permanent Trust	944,605	944,605
Total endowment net assets with donor restrictions	65,539,148	67,650,315
Time restricted - for use as part of a future year annual campaign	5,104,850	6,412,056
Time restricted - charitable remainder trust arrangements	322,664	303,801
Program restrictions	413,104	309,250
Total net assets with donor restrictions	$ 71,379,766	$ 74,675,422

Net assets with donor restrictions were released as follows at March 31:

	2019	2018
Program restriction:		
For allocations to United Way agencies	$ 146,577	$ 139,282
Other programs	2,508,845	1,288,977
	$ 2,655,422	$ 1,428,259
Appropriation in accordance with United Way's total return spending policy	$ 2,385,637	$ 2,338,096
Time restriction:		
For use as part of the current year annual campaign	$ 6,737,465	$ 7,507,989

17. ENDOWMENT

The United Way's endowment consists of numerous individual funds established over time for a variety of purposes. Its endowment includes both assets with donor restrictions and funds designated by the Board of Directors to function as quasi-endowments. The United Way's endowment was as follows for the years ended March 31:

	2019	2018
Endowment with donor restrictions	$ 65,539,147	$ 67,650,315
Quasi-endowment	$ 54,855,006	$ 57,126,791

Changes in the quasi-endowment net assets for the years ended March 31 were as follows:

	2019	2018
Quasi-endowment, beginning of year	$ 57,126,791	$ 54,549,767
New board designations	48,360	497,752
Appropriation in accordance with United Way's total return spending policy	(2,542,639)	(2,512,265)
Other appropriations	(543,502)	(723,099)
Investment return:		
Gains (losses) on investments	(44,550)	4,636,848
Interest income	810,546	677,788
Quasi-endowment, end of year	$ 54,855,006	$ 57,126,791

In July 2013, the Board of Directors updated the reserve fund policy to enable United Way of Greater Rochester to respond to unexpected programmatic and operational events and to initiate operational initiatives. The fund was established at a level approximately equal to three months of operating expense and Monroe County program funding and is recalculated and adjusted accordingly on an annual basis in October. The amount is approximately $5,100,000.

Changes in endowment net assets with donor restrictions for the year ended March 31 were as follows:

	2019	2018
Net assets with donor restrictions, beginning of year	$ 67,650,315	$ 64,408,769
Appropriation in accordance with United Way's total return spending policy	(2,385,637)	(2,338,096)
Contributions and other revenue	2,000	28,439
Release of donor-imposed restrictions	(578,674)	(633,066)
Investment return:		
Gains (losses) on investments	(1,208,977)	5,399,114
Interest income	2,060,120	785,155
Net assets with donor restrictions, end of year	$ 65,539,147	$ 67,650,315

17. ENDOWMENT (Continued)

Underwater Endowment Funds

The United Way considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instruments. The Organization has interpreted New York Prudent Management of Institutional Funds Act (NYPMIFA) to permit spending from underwater funds in accordance with the prudent measures required under law. There were no such underwater funds as of March 31, 2019 and 2018.

Return Objectives and Risk Parameters

The United Way has adopted investment and spending policies for endowment assets to 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. Under the investment policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is net of fees intended to exceed the price and yield results of the spending policy plus the rate of inflation as measured by the Consumer Price Index (over the long term) within a reasonable level of volatility.

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

Spending Policy and Related Investment Objectives

The United Way has adopted a total return spending policy, under which it appropriates a percentage of the average market value of investments at the end of the previous five years to help support its annual operating expenses. The current spending formula is 5% of the trailing twenty-quarter average market value.

The United Way has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on permanently restricted endowment gifts, beyond the original gift amount, follows the donor's restriction on the use of the related income (interest and dividends), and income is classified as temporarily restricted until appropriated by the Board for expenditure.

New York State law allows the Board of Directors to expend net appreciation of endowment investments and in certain circumstances the principal of the gift. The Board of Directors must consider the long and short-term needs of the United Way in carrying out its purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends and general economic conditions when determining the amount to expend. The United Way believes that its total return spending policy meets New York State requirements.

18. RELATED PARTY

The United Way is related to United Way Services Corporation (UWSC) through certain common members of management and common board representation. The United Way provides management consulting and support services relating to internal financial controls, computer services and operational functions to UWSC. Reimbursement for such services was $12,670 and $14,269 in 2019 and 2018, respectively. In addition, UWSC provides services to the United Way's marketing department. Payment for such services was $21,862 and $21,156 in 2019 and 2018, respectively.

19. COMMITMENTS AND CONTINGENCIES

Future Lease Payments

The United Way leases office space and office equipment under the terms of operating lease agreements. Rental expense for fiscal 2019 and 2018 was approximately $180,000 and $175,000, respectively. Minimum payments under these lease agreements are as follows for the years ending March 31:

2020	$ 127,989
2021	112,728
2022	67,723
	$ 308,440

20. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 9, 2019 which is the date the consolidated financial statements were available to be issued.

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATES

Exhibit I

CONSOLIDATING BALANCE SHEETS
MARCH 31, 2019
(With Comparative Totals for 2018)

	2019					
	United Way of Greater Rochester, Inc.	UWGR Holding Company, Inc.	Wegmans Family Foundation, Inc.	Eliminations	Consolidated	2018 Consolidated
ASSETS						
Cash and cash equivalents	$ 7,785,389	$ 45,659	$ 97,454	$ -	$ 7,928,502	$ 6,924,639
Pledges receivable, net	6,351,256	-	-	-	6,351,256	7,217,022
Government grants receivable	832,542	-	-	-	832,542	621,165
Rent receivable - affiliate	-	215,746	-	(215,746)	-	-
Bequests receivable	36,268	-	-	-	36,268	80,000
Investments	130,363,674	-	-	-	130,363,674	134,537,537
Property and equipment, net	160,743	1,758,317	-	-	1,919,060	1,801,758
Beneficial interest in split-interest agreements	4,089,640	-	-	-	4,089,640	4,271,633
Other assets	248,995	14,925	-	-	263,920	1,359,903
	$ 149,868,507	$ 2,034,647	$ 97,454	$ (215,746)	$ 151,784,862	$ 156,813,657
LIABILITIES AND NET ASSETS						
LIABILITIES:						
Accounts payable and accrued expenses	$ 969,885	$ 23,605	$ -	$ -	$ 993,490	$ 985,120
Due to agencies	5,441,625	-	-	-	5,441,625	6,475,315
Deferred revenue	1,046,415	3,012	-	-	1,049,427	71,300
Rent payable - affiliate	215,746	-	-	(215,746)	-	-
Charitable gift annuity reserve	215,803	-	-	-	215,803	226,257
Funds held for others	-	-	-	-	-	111,813
Pension and postretirement plan liability	4,752,020	-	-	-	4,752,020	4,795,428
Total liabilities	12,641,494	26,617	-	(215,746)	12,452,365	12,665,233
NET ASSETS:						
Without donor restrictions						
Undesignated	7,599,681	1,766,815	97,454	-	9,463,950	9,814,468
Board designated	3,392,560	241,215	-	-	3,633,775	2,531,743
Quasi-endowment	54,855,006	-	-	-	54,855,006	57,126,791
Total without donor restrictions	65,847,247	2,008,030	97,454	-	67,952,731	69,473,002
With donor restrictions	71,379,766	-	-	-	71,379,766	74,675,422
Total net assets	137,227,013	2,008,030	97,454	-	139,332,497	144,148,424
	$ 149,868,507	$ 2,034,647	$ 97,454	$ (215,746)	$ 151,784,862	$ 156,813,657

The accompanying notes are an integral part of these exhibits.

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATES

Exhibit II

CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2019
(With Comparative Totals for 2018)

	2019							
	Without donor restrictions					With donor restrictions		
	United Way of Greater Rochester, Inc.	UWGR Holding Company, Inc.	Wegmans Family Foundation, Inc.	Eliminations	Total	United Way of Greater Rochester, Inc.	Consolidated	2018 Consolidated
REVENUE, GAINS AND OTHER SUPPORT:								
Annual campaign, net	$ 16,346,218	$ -	$ -	$ -	$ 16,346,218	$ 5,104,850	$ 21,451,068	$ 23,021,299
Less: Received as agent for other United Ways	(666,914)	-	-	-	(666,914)	-	(666,914)	(708,700)
Less: Allowance for uncollectible pledges	(826,648)	-	-	-	(826,648)	-	(826,648)	(720,847)
Annual campaign, net	14,852,656	-	-	-	14,852,656	5,104,850	19,957,506	21,591,752
Investment income used in operations in accordance with the United Way's total return spending policy	4,933,942	-	-	-	4,933,942	-	4,933,942	4,850,362
Charitable gift fund gifts received	2,159,153	-	-	-	2,159,153	-	2,159,153	3,222,632
Donated goods and services	35,734	191,801	-	(189,023)	38,512	-	38,512	72,567
ROC the Day revenue, net	502,114	-	-	-	502,114	-	502,114	539,022
Endowment legacies and other gifts received, net	24,492	-	-	-	24,492	2,000	26,492	135,274
Government and other grant revenue	414,469	-	-	-	414,469	2,475,991	2,890,460	1,256,396
Foundation contributions	-	-	15,000,838	-	15,000,838	-	15,000,838	350,477
Other	1,580,207	465,111	-	(374,545)	1,670,773	29,274	1,700,047	538,316
	24,502,767	656,912	15,000,838	(563,568)	39,596,949	7,612,115	47,209,064	32,556,798
Net assets released from restrictions -								
Satisfaction of program restrictions	2,655,422	-	-	-	2,655,422	(2,655,422)	-	-
Appropriation of endowment assets for expenditure	2,385,637	-	-	-	2,385,637	(2,385,637)	-	-
Expiration of time restrictions	6,737,465	-	-	-	6,737,465	(6,737,465)	-	-
	11,778,524	-	-	-	11,778,524	(11,778,524)	-	-
Total revenue, gains and other support	36,281,291	656,912	15,000,838	(563,568)	51,375,473	(4,166,409)	47,209,064	32,556,798
EXPENSES:								
Program services -								
Allocations	23,218,601	-	-	-	23,218,601	-	23,218,601	24,211,760
Foundation allocations	-	-	15,000,000	-	15,000,000	-	15,000,000	250,000
Community investment and services	3,275,936	202,748	-	(165,776)	3,312,908	-	3,312,908	3,413,996
Grant funded programs	2,783,437	-	-	-	2,783,437	-	2,783,437	1,139,483
Total program services	29,277,974	202,748	15,000,000	(165,776)	44,314,946	-	44,314,946	29,015,239
Supporting services -								
Resource development	3,269,651	170,034	-	(126,262)	3,313,423	-	3,313,423	3,299,085
General management	2,062,517	166,889	3,723	(271,530)	1,961,599	-	1,961,599	1,934,253
Total supporting services	5,332,168	336,923	3,723	(397,792)	5,275,022	-	5,275,022	5,233,338
Total expenses	34,610,142	539,671	15,003,723	(563,568)	49,589,968	-	49,589,968	34,248,577
EXCESS (DEFICIENCY) OF REVENUE, GAINS AND OTHER SUPPORT OVER EXPENSES	1,671,149	117,241	(2,885)	-	1,785,505	(4,166,409)	(2,380,904)	(1,691,779)
OTHER ITEMS:								
Investment gains, net	1,358,845	-	-	-	1,358,845	870,753	2,229,598	12,974,895
Investment income used in operations in accordance with the United Way's total return spending policy	(4,933,942)	-	-	-	(4,933,942)	-	(4,933,942)	(4,850,362)
Change in funded status of pension and postretirement plans	269,321	-	-	-	269,321	-	269,321	824,423
CHANGE IN NET ASSETS	(1,634,627)	117,241	(2,885)	-	(1,520,271)	(3,295,656)	(4,815,927)	7,257,177
NET ASSETS - beginning of year	67,481,874	1,890,789	100,339	-	69,473,002	74,675,422	144,148,424	136,891,247
NET ASSETS - end of year	$ 65,847,247	$ 2,008,030	$ 97,454	$ -	$ 67,952,731	$ 71,379,766	$ 139,332,497	$ 144,148,424

The accompanying notes are an integral part of these exhibits.

UNITED WAY OF GREATER ROCHESTER, INC. AND AFFILIATES

Exhibit III

CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019
(With Comparative Totals for 2018)

	2019					
	United Way of Greater Rochester, Inc.	UWGR Holding Company, Inc.	Wegmans Family Foundation, Inc.	Eliminations	Consolidated	2018 Consolidated
CASH FLOW FROM OPERATING ACTIVITIES:						
Change in net assets	$ (4,930,283)	$ 117,241	$ (2,885)	$ -	$ (4,815,927)	$ 7,257,177
Adjustments to reconcile change in net assets to net cash flow from operating activities:						
Net realized and unrealized gain on investments	(360,904)	-	-	-	(360,904)	(11,127,369)
Sale proceeds of donated financial assets	964,183	-	-	-	964,183	2,855,124
Depreciation	39,124	115,919	-	-	155,043	141,811
(Gain) loss on disposal of property and equipment	391	8,650	-	-	9,041	2,713
Permanently restricted legacies and gifts	(2,000)	-	-	-	(2,000)	(28,439)
Change in funded status of pension and postretirement liability	(269,321)	-	-	-	(269,321)	(824,423)
Provision for uncollectible pledges	826,648	-	-	-	826,648	720,847
Changes in:						
Pledges receivable	39,118	-	-	-	39,118	(586,707)
Government grants receivable	(211,377)	-	-	-	(211,377)	(347,461)
Interest and dividends receivable and other assets	1,088,889	7,094	-	-	1,095,983	(1,188,485)
Rent receivable - affiliate	-	(167,279)	-	167,279	-	-
Bequests receivable	43,732	-	-	-	43,732	332,600
Accounts payable and accrued expenses	43,223	(34,853)	-	-	8,370	(327,175)
Due to agencies	(1,033,690)	-	-	-	(1,033,690)	59,590
Deferred revenue	975,115	3,012			978,127	74,312
Rent payable - affiliate	167,279	-	-	(167,279)	-	-
Funds held for others	(111,813)	-	-	-	(111,813)	5,012
Pension and plan postretirement liability	225,913	-	-	-	225,913	335,851
Net cash flow from operating activities	(2,505,773)	49,784	(2,885)	-	(2,458,874)	(2,645,022)
CASH FLOW FROM INVESTING ACTIVITIES:						
Purchases of property and equipment, net of disposals	(69,217)	(212,169)	-	-	(281,386)	(77,867)
Purchases of investments	(13,086,095)	-	-	-	(13,086,095)	(32,993,957)
Sales of investments	16,656,679	-	-	-	16,656,679	35,946,172
Changes in beneficial interest in split-interest arrangements	288,964	-	-	-	288,964	(253,598)
Net cash flow from investing activities	3,790,331	(212,169)	-	-	3,578,162	2,620,750
CASH FLOW FROM FINANCING ACTIVITIES:						
Permanently restricted legacies and gifts	2,000	-	-	-	2,000	28,439
Decrease in charitable gift annuity reserve	(10,454)	-	-	-	(10,454)	(10,816)
Change in pooled life income fund assets	(106,971)	-	-	-	(106,971)	12,837
Net cash flow from financing activities	(115,425)	-	-	-	(115,425)	30,460
CHANGE IN CASH AND EQUIVALENTS	1,169,133	(162,385)	(2,885)	-	1,003,863	6,188
CASH AND EQUIVALENTS - beginning of year	6,616,256	208,044	100,339	-	6,924,639	6,918,451
CASH AND EQUIVALENTS - end of year	$ 7,785,389	$ 45,659	$ 97,454	$ -	$ 7,928,502	$ 6,924,639