INDEPENDENT AUDITORS’ REPORT

The Board of Directors
United Way, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of United Way, Inc. which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities, cash flows, and of functional expenses for the year then ended and the related notes to the consolidated financial statements.

Management’s Responsibility for the Consolidated 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.

Auditors’ 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 auditors’ 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 United Way, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Report on Summarized Comparative Information

We have previously audited United Way, Inc.’s 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 4, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent in all material respects, with the audited consolidated financial statements from which it has been derived.

Baker Newman Noyes, LLC
Portland, Maine
October 25, 2017
# UNITED WAY, INC.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2017
(With Summarized Financial Information for June 30, 2016)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 5,504,696</td>
<td>$ 5,027,714</td>
</tr>
<tr>
<td>Pledges receivable, net (note 2)</td>
<td>4,744,510</td>
<td>5,126,760</td>
</tr>
<tr>
<td>Other receivables</td>
<td>313,282</td>
<td>245,262</td>
</tr>
<tr>
<td>Other assets</td>
<td>97,095</td>
<td>94,423</td>
</tr>
<tr>
<td>Long-term investments (notes 3 and 12)</td>
<td>8,231,895</td>
<td>7,414,859</td>
</tr>
<tr>
<td>Beneficial interest in perpetual trust (note 4)</td>
<td>1,185,977</td>
<td>1,117,715</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$20,178,468</strong></td>
<td><strong>$19,144,819</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$ 595,076</td>
<td>$ 502,204</td>
</tr>
<tr>
<td>Designations payable</td>
<td>3,586,050</td>
<td>3,794,161</td>
</tr>
<tr>
<td>Other liabilities (note 5)</td>
<td>154,157</td>
<td>142,725</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>4,335,283</strong></td>
<td><strong>4,439,090</strong></td>
</tr>
</tbody>
</table>

| Net assets (note 5):                        |            |            |
| Unrestricted:                                |            |            |
| Undesignated                                | 2,064,235  | 1,945,384  |
| Board designated – endowment                | 4,497,122  | 4,024,895  |
|                                              | 6,561,357  | 5,970,279  |
| Temporarily restricted                       | 6,072,782  | 5,635,853  |
| Permanently restricted                       | 3,209,046  | 3,099,597  |
| **Total net assets**                        | **15,843,185** | **14,705,729** |

| **Total liabilities and net assets**        | **$20,178,468** | **$19,144,819** |

See accompanying notes.
UNITED WAY, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2017
(With Summarized Financial Information for June 30, 2016)

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Campaign results:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017 campaign results</td>
<td>$ –</td>
<td>$ 93,034</td>
<td>$ –</td>
<td>$ 93,034</td>
<td>$ –</td>
</tr>
<tr>
<td>2016 campaign results</td>
<td>–</td>
<td>7,770,581</td>
<td>–</td>
<td>7,770,581</td>
<td>51,083</td>
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<tr>
<td>2015 campaign results</td>
<td>–</td>
<td>2,371</td>
<td>–</td>
<td>2,371</td>
<td>7,619,536</td>
</tr>
<tr>
<td>2014 campaign results</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>105,064</td>
</tr>
<tr>
<td>Less donor designations, net</td>
<td>–</td>
<td>(1,146,945)</td>
<td>–</td>
<td>(1,146,945)</td>
<td>(1,187,678)</td>
</tr>
<tr>
<td>Net campaign results</td>
<td>–</td>
<td>6,487,002</td>
<td>–</td>
<td>6,487,002</td>
<td>6,394,415</td>
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<tr>
<td><strong>Revenues, gains and other support:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets released from restriction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016 campaign</td>
<td>2,979,716</td>
<td>(2,979,716)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2015 campaign</td>
<td>3,494,927</td>
<td>(3,494,927)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Gifts and bequests</td>
<td>105,000</td>
<td>–</td>
<td>41,187</td>
<td>146,187</td>
<td>41,334</td>
</tr>
<tr>
<td>Grant and contract revenue</td>
<td>–</td>
<td>1,442,321</td>
<td>–</td>
<td>1,442,321</td>
<td>1,397,513</td>
</tr>
<tr>
<td>Service fees</td>
<td>453,238</td>
<td>62,500</td>
<td>–</td>
<td>515,738</td>
<td>506,394</td>
</tr>
<tr>
<td>Investment income</td>
<td>126,443</td>
<td>67,076</td>
<td>–</td>
<td>193,519</td>
<td>192,024</td>
</tr>
<tr>
<td>Realized gains on investments</td>
<td>274,939</td>
<td>218,082</td>
<td>–</td>
<td>493,021</td>
<td>57,284</td>
</tr>
<tr>
<td>Unrealized gains (losses) on investments</td>
<td>160,672</td>
<td>130,275</td>
<td>–</td>
<td>290,947</td>
<td>(250,237)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>94,899</td>
<td>1,067</td>
<td>–</td>
<td>95,966</td>
<td>135,664</td>
</tr>
<tr>
<td>Other assets released from restriction</td>
<td>1,496,751</td>
<td>(1,496,751)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Gain (loss) on perpetual trust (note 4)</td>
<td>–</td>
<td>–</td>
<td>68,262</td>
<td>68,262</td>
<td>(77,549)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>9,186,585</td>
<td>436,929</td>
<td>109,449</td>
<td>9,732,963</td>
<td>8,396,842</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency investments/awards</td>
<td>4,716,240</td>
<td>–</td>
<td>–</td>
<td>4,716,240</td>
<td>4,838,298</td>
</tr>
<tr>
<td>Less donor designations, net</td>
<td>(1,246,964)</td>
<td>–</td>
<td>–</td>
<td>(1,246,964)</td>
<td>(1,246,679)</td>
</tr>
<tr>
<td>Community impact</td>
<td>2,154,588</td>
<td>–</td>
<td>–</td>
<td>2,154,588</td>
<td>1,699,292</td>
</tr>
<tr>
<td>Volunteer development</td>
<td>291,067</td>
<td>–</td>
<td>–</td>
<td>291,067</td>
<td>267,234</td>
</tr>
<tr>
<td>211 Maine</td>
<td>875,359</td>
<td>–</td>
<td>–</td>
<td>875,359</td>
<td>1,065,954</td>
</tr>
<tr>
<td>Total program services</td>
<td>6,790,290</td>
<td>–</td>
<td>–</td>
<td>6,790,290</td>
<td>6,624,099</td>
</tr>
<tr>
<td>Total expenses</td>
<td>8,595,507</td>
<td>–</td>
<td>–</td>
<td>8,595,507</td>
<td>8,315,839</td>
</tr>
<tr>
<td><strong>Supporting services – management and general and fundraising:</strong></td>
<td>1,805,217</td>
<td>–</td>
<td>–</td>
<td>1,805,217</td>
<td>1,691,740</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>8,595,507</td>
<td>–</td>
<td>–</td>
<td>8,595,507</td>
<td>8,315,839</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>591,078</td>
<td>436,929</td>
<td>109,449</td>
<td>1,137,456</td>
<td>81,003</td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>5,970,279</td>
<td>5,635,853</td>
<td>3,099,597</td>
<td>15,843,185</td>
<td>14,624,726</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$ 6,561,357</td>
<td>$ 6,072,782</td>
<td>$ 3,209,046</td>
<td>$15,843,185</td>
<td>$14,705,729</td>
</tr>
</tbody>
</table>

See accompanying notes.
<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$1,137,456</td>
<td>$81,003</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>29,647</td>
<td>27,359</td>
</tr>
<tr>
<td>Net realized and unrealized (gains) losses on investments</td>
<td>(783,968)</td>
<td>192,953</td>
</tr>
<tr>
<td>(Gain) loss on perpetual trust</td>
<td>(68,262)</td>
<td>77,549</td>
</tr>
<tr>
<td>Endowment gifts</td>
<td>(41,187)</td>
<td>(41,134)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>382,250</td>
<td>(210,569)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>(68,020)</td>
<td>27,710</td>
</tr>
<tr>
<td>Other assets</td>
<td>(2,672)</td>
<td>(26,590)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>92,872</td>
<td>411</td>
</tr>
<tr>
<td>Designations payable</td>
<td>(208,111)</td>
<td>9,436</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>11,432</td>
<td>(7,634)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>481,437</td>
<td>130,494</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of equipment</td>
<td>(12,574)</td>
<td>(15,282)</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(1,690,936)</td>
<td>(1,245,370)</td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>1,657,868</td>
<td>1,333,182</td>
</tr>
<tr>
<td>Net cash (used) provided by investing activities</td>
<td>(45,642)</td>
<td>72,530</td>
</tr>
<tr>
<td>Cash flows from financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment gifts</td>
<td>41,187</td>
<td>41,134</td>
</tr>
<tr>
<td>Net cash provided by financing activities</td>
<td>41,187</td>
<td>41,134</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>476,982</td>
<td>244,158</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>5,027,714</td>
<td>4,783,556</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>$5,504,696</td>
<td>$5,027,714</td>
</tr>
</tbody>
</table>

See accompanying notes.
UNITED WAY, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2017
(With Summarized Financial Information for June 30, 2016)

<table>
<thead>
<tr>
<th></th>
<th>Essential Programs and Services</th>
<th>Community Impact</th>
<th>Volunteer Development</th>
<th>211 Maine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross investments/awards/contracts</td>
<td>$ 4,716,240</td>
<td>$ 716,612</td>
<td>$ –</td>
<td>$ 778,196</td>
</tr>
<tr>
<td>Less donor designations, net</td>
<td>(1,246,964)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net investments/awards</td>
<td>3,469,276</td>
<td>716,612</td>
<td>–</td>
<td>778,196</td>
</tr>
<tr>
<td>Salaries</td>
<td>–</td>
<td>789,106</td>
<td>148,530</td>
<td>41,854</td>
</tr>
<tr>
<td>Employees’ health and retirement benefits</td>
<td>–</td>
<td>100,712</td>
<td>55,233</td>
<td>2,211</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>–</td>
<td>58,820</td>
<td>10,952</td>
<td>3,019</td>
</tr>
<tr>
<td>Professional fees and contract services</td>
<td>–</td>
<td>170,774</td>
<td>7,413</td>
<td>9,994</td>
</tr>
<tr>
<td>Supplies</td>
<td>–</td>
<td>14,603</td>
<td>12,441</td>
<td>337</td>
</tr>
<tr>
<td>Telephone</td>
<td>–</td>
<td>7,646</td>
<td>1,859</td>
<td>228</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>–</td>
<td>4,294</td>
<td>986</td>
<td>95</td>
</tr>
<tr>
<td>Occupancy</td>
<td>–</td>
<td>94,178</td>
<td>20,279</td>
<td>5,900</td>
</tr>
<tr>
<td>Marketing and communications materials</td>
<td>–</td>
<td>30,816</td>
<td>3,138</td>
<td>22,225</td>
</tr>
<tr>
<td>Publications and subscription</td>
<td>–</td>
<td>540</td>
<td>149</td>
<td>–</td>
</tr>
<tr>
<td>Travel</td>
<td>–</td>
<td>19,202</td>
<td>2,247</td>
<td>4,346</td>
</tr>
<tr>
<td>Conferences, conventions and meetings</td>
<td>–</td>
<td>55,594</td>
<td>4,830</td>
<td>3,845</td>
</tr>
<tr>
<td>National agency support</td>
<td>–</td>
<td>30,722</td>
<td>6,545</td>
<td>–</td>
</tr>
<tr>
<td>Equipment, rental and maintenance</td>
<td>–</td>
<td>41,778</td>
<td>12,309</td>
<td>1,006</td>
</tr>
<tr>
<td>Insurance</td>
<td>–</td>
<td>4,570</td>
<td>974</td>
<td>2,103</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>–</td>
<td>3,509</td>
<td>815</td>
<td>–</td>
</tr>
<tr>
<td>Depreciation</td>
<td>–</td>
<td>11,112</td>
<td>2,367</td>
<td>–</td>
</tr>
<tr>
<td>Total operations</td>
<td>–</td>
<td>1,437,976</td>
<td>291,067</td>
<td>97,163</td>
</tr>
<tr>
<td>Total expense</td>
<td>$ 3,469,276</td>
<td>$2,154,588</td>
<td>$291,067</td>
<td>$ 875,359</td>
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</tbody>
</table>

See accompanying notes.
<table>
<thead>
<tr>
<th>Supporting Services</th>
<th>Management and Fund Total</th>
<th>Total 2017</th>
<th>Total 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>General</td>
<td>Raising</td>
</tr>
<tr>
<td>$ 6,211,048</td>
<td>$ –</td>
<td>$ –</td>
<td>$ –</td>
</tr>
<tr>
<td>(1,246,964)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>4,964,084</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>979,490</td>
<td>459,322</td>
<td>685,883</td>
<td>1,145,205</td>
</tr>
<tr>
<td>158,156</td>
<td>23,094</td>
<td>100,901</td>
<td>123,995</td>
</tr>
<tr>
<td>72,791</td>
<td>34,607</td>
<td>51,164</td>
<td>85,771</td>
</tr>
<tr>
<td>188,181</td>
<td>23,660</td>
<td>51,488</td>
<td>75,148</td>
</tr>
<tr>
<td>27,381</td>
<td>2,520</td>
<td>6,853</td>
<td>9,373</td>
</tr>
<tr>
<td>9,733</td>
<td>2,384</td>
<td>8,090</td>
<td>10,474</td>
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<tr>
<td>5,375</td>
<td>(37)</td>
<td>6,888</td>
<td>6,851</td>
</tr>
<tr>
<td>120,357</td>
<td>51,193</td>
<td>84,715</td>
<td>135,908</td>
</tr>
<tr>
<td>56,179</td>
<td>8,752</td>
<td>14,098</td>
<td>22,850</td>
</tr>
<tr>
<td>689</td>
<td>291</td>
<td>3,341</td>
<td>3,632</td>
</tr>
<tr>
<td>25,795</td>
<td>4,914</td>
<td>8,981</td>
<td>13,895</td>
</tr>
<tr>
<td>64,269</td>
<td>14,464</td>
<td>39,006</td>
<td>53,470</td>
</tr>
<tr>
<td>37,267</td>
<td>18,257</td>
<td>26,444</td>
<td>44,701</td>
</tr>
<tr>
<td>55,093</td>
<td>14,242</td>
<td>21,827</td>
<td>36,069</td>
</tr>
<tr>
<td>7,647</td>
<td>2,716</td>
<td>3,934</td>
<td>6,650</td>
</tr>
<tr>
<td>4,324</td>
<td>1,982</td>
<td>13,075</td>
<td>15,057</td>
</tr>
<tr>
<td>13,479</td>
<td>6,603</td>
<td>9,565</td>
<td>16,168</td>
</tr>
<tr>
<td>1,826,206</td>
<td>668,964</td>
<td>1,136,253</td>
<td>1,805,217</td>
</tr>
<tr>
<td>$ 6,790,290</td>
<td>$668,964</td>
<td>$1,136,253</td>
<td>$1,805,217</td>
</tr>
</tbody>
</table>
1. **Description of Organization and Summary of Significant Accounting Policies**

*Organization and Operations*

United Way, Inc. (the Organization) improves people’s lives by mobilizing the caring power of our communities. With financial, volunteer and in-kind support, United Way works with community partners to address the most pressing health and human service issues in Greater Portland.

The Organization is the sole member of 211 Maine, Inc., a Maine nonprofit corporation (211 Maine). 211 Maine was established to offer comprehensive health and human services information and referral services for the State of Maine. The accompanying consolidated financial statements include the accounts of United Way, Inc. and 211 Maine, Inc. All intercompany balances and transactions have been eliminated in consolidation.

Annual United Way campaigns are conducted in the fall of each year. Undesignated campaign contributions are used to support local health and human service programs of partner agencies; to support other community programs and initiatives; to make grants in support of education, financial stability, health, and diversity and inclusion strategies; and to pay the Organization’s operating expenses. Donors may choose to designate their pledges to a partner agency, a non-partner agency that provides health and human services within the State of Maine, or another out-of-area United Way.

Annual fall campaigns are reduced by pledges that are designated to other organizations, and by a provision for uncollectible pledges. The resulting net pledges are reflected as temporarily restricted until released from restriction and expended. Approximately one half of the prior and current years’ campaign results are released from restrictions in the current year’s statement of activities. The balance of the current year’s net pledges is included in temporarily restricted net assets at year-end. Specific Care donations, net of an administrative fee and provisions for uncollectible pledges, have been recorded as designations payable in the statement of financial position and have not been recorded as revenue or expense in the statement of activities.

The Organization also processes pledges and collects and distributes funds outside of greater Portland from employees of several companies. Like specific care pledges raised locally, these donations, net of an administrative fee and provisions for uncollectible pledges, have been recorded as designations payable in the statement of financial position and have not been recorded as revenue or expense in the statement of activities. See note 7.

In addition to annual campaign contributions, donors can utilize various planned giving vehicles including bequests, gifts of securities, and life insurance to support the Organization’s long-term operations. Such contributions are assets of the Organization. Endowment assets are managed by the Organization’s Finance Committee in accordance with an Investment Policy approved by the Board of Directors.
1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

*Use of Estimates*

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant area that is affected by the use of estimates is the allowance for uncollectible pledges.

*Cash and Cash Equivalents*

Cash and cash equivalents include certain investments in highly liquid debt securities with original maturities of three months or less when purchased, excluding investments held in trust. At June 30, 2017 and 2016, the Organization has cash and cash equivalents of approximately $5,649,000 and $5,222,000, respectively, in various accounts of one financial institution. The cash is swept daily into collateralized repurchase agreements.

*Investments*

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value based on quoted market prices in the statement of financial position.

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 changes in the values of investment securities will occur in the near term and that such changes could materially affect investment balances and the amounts reported in the consolidated statement of financial position.

*Equipment*

Equipment is carried at cost or, if acquired by gift, at appraised value at date of gift. Depreciation and amortization is provided over the estimated useful lives of the respective assets using the straight-line method.

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used for a specific purpose, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.
1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use by the Organization has been limited by donors to a specific time period or purpose. Such net assets may also include unexpended investment gains related to permanently restricted net assets, in accordance with Maine law. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity. The Board of Directors has interpreted State of Maine law as requiring the preservation of the original fair value of the gift absent donor stipulations to the contrary.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) of the State of Maine requires appreciation on investments of permanently restricted funds, unless the donor has otherwise indicated in the gift instrument, be considered a donor restricted asset until appropriated by the Organization’s Board.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization also follows this reporting practice for donor-restricted gifts whose restrictions are met in the same reporting period.

Grant and Contract Revenue

The Organization also undertakes other specific initiatives periodically in connection with its goals for the education, financial stability, and health of the greater Portland community. These initiatives are funded by operating dollars from the sources referenced above as well as grants from foundations and corporations.

Expenditure-driven grant revenue is recognized in the period expenditures are incurred in connection with the grant. Other grant and contract revenue is recognized as earned under the terms of the grant and contract agreements.

Functional Expenses

Expenses are allocated to both programs and support services. Salaries and wages are allocated based on estimates of time spent by members of the staff. Expenses that are not directly attributable to one category are allocated based on full-time equivalents.
1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

   **New Accounting Pronouncements**

   In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, that changes how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. The ASU requires amended presentation and disclosures to help not-for-profits provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. The amendment is effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early application of the amendment is permitted. The Organization is assessing the impact of the ASU on its financial statements.

   In February 2016, the FASB issued ASU No. 2016-02 *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the Organization on July 1, 2020, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The Organization is currently evaluating the impact of the pending adoption of ASU 2016-02 on the consolidated financial statements.

   **Subsequent Events**

   Events occurring after the statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. Management has evaluated subsequent events through October 25, 2017, the date the accompanying consolidated financial statements were available to be issued.

2. **Pledges Receivable**

   The Organization serves and conducts its annual campaign in the Greater Portland, Maine region. The ability and willingness of individuals and corporations to honor their pledges is generally dependent on current economic conditions within the geographic area. The Organization estimates the allowance for uncollectible pledges using historical loss factors and current economic conditions. All pledges receivable are due in one year.
2. **Pledges Receivable (Continued)**

As of June 30, 2017 and 2016, the balance of pledges receivable, less allowance for uncollectible pledges by campaign year is as follows:

<table>
<thead>
<tr>
<th>Campaign Year</th>
<th>Gross Pledges Receivable</th>
<th>Allowance</th>
<th>Net Pledges Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$9,024</td>
<td>–</td>
<td>$9,024</td>
</tr>
<tr>
<td>2016</td>
<td>$18,213</td>
<td>–</td>
<td>$18,213</td>
</tr>
<tr>
<td>2015</td>
<td>$2,558,168</td>
<td>276,931</td>
<td>$2,281,237</td>
</tr>
<tr>
<td>2014</td>
<td>$233,048</td>
<td>233,048</td>
<td>–</td>
</tr>
<tr>
<td>2013</td>
<td>$204,582</td>
<td>204,582</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>3,004,822</td>
<td>714,561</td>
<td>2,290,261</td>
</tr>
<tr>
<td>Specific Care pledges</td>
<td>$2,751,798</td>
<td>297,549</td>
<td>$2,454,249</td>
</tr>
<tr>
<td></td>
<td>$5,756,620</td>
<td>$1,012,110</td>
<td>$4,744,510</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campaign Year</th>
<th>Gross Pledges Receivable</th>
<th>Allowance</th>
<th>Net Pledges Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$2,965,788</td>
<td>273,985</td>
<td>$2,691,803</td>
</tr>
<tr>
<td>2015</td>
<td>$208,538</td>
<td>208,538</td>
<td>–</td>
</tr>
<tr>
<td>2014</td>
<td>$220,722</td>
<td>220,722</td>
<td>–</td>
</tr>
<tr>
<td>2013</td>
<td>$3,413,261</td>
<td>703,245</td>
<td>$2,710,016</td>
</tr>
<tr>
<td>Specific Care pledges</td>
<td>$2,701,874</td>
<td>285,130</td>
<td>$2,416,744</td>
</tr>
<tr>
<td></td>
<td>$6,115,135</td>
<td>$988,375</td>
<td>$5,126,760</td>
</tr>
</tbody>
</table>

The Organization processes campaign pledges for other organizations outside the local service area as described in note 1. Such Specific Care pledges are included in pledges receivable and designations payable in the accompanying consolidated statement of financial position.
3. **Investments**

The long-term investments are governed by an investment policy and endowment spending policy as approved periodically by the Organization’s Board of Directors. The investment policies include guidance on investment objectives, asset allocation, investment quality and diversification, and performance measurement and reporting. Such policies attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the purchasing power of the endowment assets. The portfolio is invested in a manner that is intended to generate annual returns of the Consumer Price Index increase plus 5%, net of expenses, while assuming a moderate level of risk. The Board uses outside professionals to manage its investment portfolio. The endowment spending policy specifies a range of 3% to 5% of invested funds annually. Such spending totaled approximately $265,000 and $261,000 in fiscal 2017 and 2016, respectively.

A summary of investments at June 30, 2017 and 2016 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketable equity securities</td>
<td>$3,013,928</td>
<td>$3,962,069</td>
</tr>
<tr>
<td>U.S. Treasury notes and obligations of government agencies</td>
<td>305,032</td>
<td>521,102</td>
</tr>
<tr>
<td>Mutual funds – equity</td>
<td>3,364,629</td>
<td>1,254,804</td>
</tr>
<tr>
<td>Money market accounts</td>
<td>103,551</td>
<td>188,199</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>1,444,755</td>
<td>1,488,685</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,231,895</strong></td>
<td><strong>$7,414,859</strong></td>
</tr>
</tbody>
</table>

Such investments are allocated as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Way endowments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board-designated net assets</td>
<td>$4,497,122</td>
<td>$4,024,895</td>
</tr>
<tr>
<td>Temporarily restricted net assets</td>
<td>1,557,547</td>
<td>1,265,357</td>
</tr>
<tr>
<td>Permanently restricted net assets</td>
<td>2,023,069</td>
<td>1,981,882</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,077,738</strong></td>
<td><strong>7,272,134</strong></td>
</tr>
<tr>
<td>Agency endowments (note 5)</td>
<td>154,157</td>
<td>142,725</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,231,895</strong></td>
<td><strong>$7,414,859</strong></td>
</tr>
</tbody>
</table>
3. **Investments (Continued)**

The changes in United Way endowment funds by net asset category for the years ended June 30, 2017 and 2016 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Board-designated</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balances, June 30, 2016</td>
<td>$4,024,895</td>
<td>$1,287,600</td>
<td>$1,981,882</td>
<td>$7,294,377</td>
</tr>
<tr>
<td>Investment income</td>
<td>78,012</td>
<td>62,523</td>
<td>–</td>
<td>140,535</td>
</tr>
<tr>
<td>Net appreciation in fair value</td>
<td>435,649</td>
<td>348,357</td>
<td>–</td>
<td>784,006</td>
</tr>
<tr>
<td>Additions</td>
<td>105,000</td>
<td>–</td>
<td>41,187</td>
<td>146,187</td>
</tr>
<tr>
<td>Appropriation for expenditure</td>
<td>(146,434)</td>
<td>(118,465)</td>
<td>–</td>
<td>(264,899)</td>
</tr>
<tr>
<td>Balances, June 30, 2017</td>
<td>$4,497,122</td>
<td>$1,580,015</td>
<td>$2,023,069</td>
<td>$8,100,206</td>
</tr>
<tr>
<td><strong>2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balances, June 30, 2015</td>
<td>$4,199,185</td>
<td>$1,427,577</td>
<td>$1,940,748</td>
<td>$7,567,510</td>
</tr>
<tr>
<td>Investment income</td>
<td>77,631</td>
<td>61,907</td>
<td>–</td>
<td>139,538</td>
</tr>
<tr>
<td>Net depreciation in fair value</td>
<td>(107,574)</td>
<td>(85,383)</td>
<td>–</td>
<td>(192,957)</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>41,134</td>
<td>–</td>
<td>41,134</td>
</tr>
<tr>
<td>Appropriation for expenditure</td>
<td>(144,347)</td>
<td>(116,501)</td>
<td>–</td>
<td>(260,848)</td>
</tr>
<tr>
<td>Balances, June 30, 2016</td>
<td>$4,024,895</td>
<td>$1,287,600</td>
<td>$1,981,882</td>
<td>$7,294,377</td>
</tr>
</tbody>
</table>

Amounts of securities with unrealized losses at June 30, 2017 and 2016 are shown below. None of these losses are considered other than temporary.

<table>
<thead>
<tr>
<th>Time Period in Loss Position</th>
<th>Less Than 12 Months</th>
<th>12 Months or Greater</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair Value</td>
<td>Unrealized Losses</td>
<td>Fair Value</td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity securities</td>
<td>$ 78,712</td>
<td>$ 3,348</td>
<td>$ 75,928</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>739,788</td>
<td>52,802</td>
<td>–</td>
</tr>
<tr>
<td>U.S. Treasury notes and obligations of government agencies</td>
<td>201,906</td>
<td>5,082</td>
<td>–</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>314,445</td>
<td>4,752</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>$1,334,851</td>
<td>$ 65,984</td>
<td>$75,928</td>
</tr>
<tr>
<td><strong>2016</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity securities</td>
<td>$ 593,388</td>
<td>$ 95,107</td>
<td>–</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>739,788</td>
<td>52,802</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>$1,333,176</td>
<td>$147,909</td>
<td>–</td>
</tr>
</tbody>
</table>
3. Investments (Continued)

At June 30, 2017, unrealized losses consist of two equity securities, four mutual funds, two U.S. Treasury notes and obligations of government agencies and four corporate bonds.

In evaluating whether the investments have suffered an other-than-temporary decline, management evaluated the amount of the decline compared to cost, the underlying creditworthiness of the issuer, the fair values exhibited during the year and the estimated future fair values. In general, management believes the declines at June 30, 2017 within the marketable equity securities are due to temporary market fluctuations. Based on evaluations of the underlying issuers’ financial condition, current trends and economic conditions, and the Organization’s ability and intent to hold such securities to recovery, management does not believe any securities have an other-than-temporary decline in value.

4. Beneficial Interest in Perpetual Trust

The Organization is the income beneficiary of an irrevocable perpetual trust. These funds are held and controlled by Bank of America, as trustee. The Organization is entitled to 85% of the income from the trust. The Organization has recorded an asset in its statement of financial position at 85% of the fair value of trust assets. At June 30, 2017 and 2016, the Organization’s beneficial interest in perpetual trust is $1,185,977 and $1,117,715, respectively.

5. Net Assets

Unrestricted net assets at June 30, 2017 and 2016 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undesignated</td>
<td>$2,064,235</td>
<td>$1,945,384</td>
</tr>
<tr>
<td>Board designated – endowment</td>
<td>4,497,122</td>
<td>4,024,895</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,561,357</strong></td>
<td><strong>$5,970,279</strong></td>
</tr>
</tbody>
</table>

Undesignated net assets are unrestricted and available for programs and support services of the Organization. The Board of Directors has designated unrestricted net assets for long-term purposes labeled above as endowment. The income earned on these investments will be used for charitable purposes including initiatives.
5. **Net Assets (Continued)**

Temporarily restricted net assets are available for the following purposes at June 30, 2017 and 2016:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campaign contributions</td>
<td>$3,493,388</td>
<td>$3,494,927</td>
</tr>
<tr>
<td>Endowment Funds (including unrealized gains)</td>
<td>1,580,015</td>
<td>1,287,600</td>
</tr>
<tr>
<td>Grant Funds</td>
<td>166,931</td>
<td>172,853</td>
</tr>
<tr>
<td>211 Maine</td>
<td>832,019</td>
<td>670,707</td>
</tr>
<tr>
<td>How Fund</td>
<td>429</td>
<td>9,766</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,072,782</strong></td>
<td><strong>$5,635,853</strong></td>
</tr>
</tbody>
</table>

Permanently restricted net assets at June 30, 2017 and 2016 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficial interest in perpetual trust – How (note 4)</td>
<td>$1,185,977</td>
<td>$1,117,715</td>
</tr>
<tr>
<td>Endowment Funds</td>
<td>2,023,069</td>
<td>1,981,882</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,209,046</strong></td>
<td><strong>$3,099,597</strong></td>
</tr>
</tbody>
</table>

Other agency relationships:

The Preble Street Self-Sufficiency Fund is an agency relationship and is reflected as both an asset (included in investments) and liability in the statement of financial position. The fund totaled $154,157 and $142,725 at June 30, 2017 and 2016, respectively.

6. **Employee Benefits**

The Organization has established a Tax Deferred Annuity Plan in accordance with Section 403(b) of the Internal Revenue Code (the Code), which covers all employees. Employees may elect to defer a portion of their compensation of which a certain percent (6% in 2017 and 2016) determined annually by the Board is matched dollar for dollar by the Organization. In addition, the Plan provides for discretionary contributions by the Organization. The amounts deferred by the employee vest immediately and the Organization’s contributions vest over a four year period. The Organization’s contribution to the Plan in 2017 and 2016 was $84,723 and $78,366, respectively.
7. **Calculation of Operating Expense Ratio**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>$1,136,253</td>
<td>$991,325</td>
</tr>
<tr>
<td>Management and general</td>
<td>668,964</td>
<td>700,415</td>
</tr>
<tr>
<td><strong>Total supporting services</strong></td>
<td><strong>$1,805,217</strong></td>
<td><strong>$1,691,740</strong></td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Campaign results, net</td>
<td>$7,633,947</td>
<td>$7,582,093</td>
</tr>
<tr>
<td>Gifts and bequests</td>
<td>146,187</td>
<td>41,334</td>
</tr>
<tr>
<td>Grant and other revenue</td>
<td>1,154,150</td>
<td>1,090,913</td>
</tr>
<tr>
<td>Investment income</td>
<td>193,519</td>
<td>192,024</td>
</tr>
<tr>
<td>Realized gains on investments</td>
<td>493,021</td>
<td>57,284</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>$9,620,824</strong></td>
<td><strong>$8,963,648</strong></td>
</tr>
<tr>
<td><strong>Operating expense ratio</strong></td>
<td><strong>18.8%</strong></td>
<td><strong>18.9%</strong></td>
</tr>
</tbody>
</table>

The above calculation of the operating expense ratio is in accordance with United Way Worldwide’s Functional Expense and Overhead Reporting Standards for United Ways. This calculation includes expenses associated with soliciting, collecting, and distributing over $5.6 and $5.3 million in out-of-area pledges in 2017 and 2016, respectively. Revenues associated with these pledges are excluded from this calculation. Similarly, dollars raised on behalf of 211 Maine are excluded from the above calculation, while some costs incurred in soliciting those dollars are included above.

The below calculation, which includes all funds processed by United Way of Greater Portland, better represents the Organization’s operational efficiency.

- **Supporting services:**
  - Fundraising: $1,136,253, $991,325
  - Management and general: 668,964, 700,415

- **Total supporting services:** $1,805,217, $1,691,740

- **Revenue:**
  - Sources listed above: $9,620,824, $8,963,648
  - Out-of-area pledges: 5,612,118, 5,259,177
  - 211 Maine revenue: 786,671, 948,658

- **Total sources:** $16,019,613, $15,171,483

- **Operating expense ratio:** 11.3%, 11.2%
8. **Leases**

In fiscal 2010, the Organization entered into a new lease agreement for office space that commenced in fiscal 2011. The agreement carries an initial ten-year term and two five-year options. The monthly base rental amount is $15,817, and will increase annually based on the consumer price index with a 2% annual cap. Total rent expense amounted to $210,684 and $208,417 for the years ended June 30, 2017 and 2016, respectively.

A summary of noncancelable future minimum rental payments is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$218,175</td>
</tr>
<tr>
<td>2019</td>
<td>$218,175</td>
</tr>
<tr>
<td>2020</td>
<td>$218,175</td>
</tr>
<tr>
<td>Total</td>
<td>$654,525</td>
</tr>
</tbody>
</table>

9. **Income Taxes**

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Code and as such is exempt from federal and state income taxes.

Management has evaluated the Organization’s tax positions and concluded that the Organization has maintained its tax-exempt status, does not have any significant unrelated business income and has taken no uncertain tax positions that require adjustment to the consolidated financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal or State tax authorities for years before 2013.

10. **Volunteer Services**

A substantial number of volunteers have donated their time to the Organization. The volunteers provide various nonspecialized services to the Organization, none of which have been recognized as revenue or expense in the statement of activities.

11. **Commitments**

The Organization has an agreement with The Opportunity Alliance, a nonprofit corporation, through June 30, 2018 (subject to termination by either party in certain events). The Opportunity Alliance provides call center services and other administrative services for 211 Maine. Expenses for these services totaled $778,196 and $986,720 in fiscal 2017 and 2016, respectively. At June 30, 2017 and 2016, 211 Maine had a payable to The Opportunity Alliance of $66,981 and $74,752, respectively.
12. Financial Instruments

The Organization’s financial instruments consist of cash and cash equivalents, investments, receivables, and payables. The fair values of the financial instruments approximate their carrying values in the accompanying statement of financial position at June 30, 2017 and 2016.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.
### 12. Financial Instruments (Continued)

The tables below present the balances of assets and liabilities measured at fair value on a recurring basis at June 30, 2017 and 2016:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketable equity securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic industry</td>
<td>338,923</td>
<td>338,923</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Consumer products</td>
<td>1,228,557</td>
<td>1,228,557</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Energy</td>
<td>104,759</td>
<td>104,759</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Financial institutions</td>
<td>650,563</td>
<td>650,563</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Technology</td>
<td>691,126</td>
<td>691,126</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>U.S. Treasury notes and obligations of government agencies</td>
<td>305,032</td>
<td>–</td>
<td>305,032</td>
<td>–</td>
</tr>
<tr>
<td>Mutual funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign equity funds</td>
<td>1,237,292</td>
<td>1,237,292</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Domestic equity funds</td>
<td>2,127,337</td>
<td>2,127,337</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Money market accounts</td>
<td>103,551</td>
<td>103,551</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>1,444,755</td>
<td>–</td>
<td>1,444,755</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,231,895</td>
<td>6,482,108</td>
<td>1,749,787</td>
<td>–</td>
</tr>
</tbody>
</table>

| **2016**               |             |              |              |         |
| Marketable equity securities: |             |              |              |         |
| Basic industry         | 344,996     | 344,996      | –            | –       |
| Consumer products      | 1,836,782   | 1,836,782    | –            | –       |
| Energy                 | 288,993     | 288,993      | –            | –       |
| Financial institutions | 868,848     | 868,848      | –            | –       |
| Technology             | 622,450     | 622,450      | –            | –       |
| U.S. Treasury notes and obligations of government agencies | 521,102 | – | 521,102 | – |
| Mutual funds:          |             |              |              |         |
| Foreign equity funds   | 881,061     | 881,061      | –            | –       |
| Domestic equity funds  | 373,743     | 373,743      | –            | –       |
| Money market accounts  | 188,199     | 188,199      | –            | –       |
| Corporate bonds        | 1,488,685   | –            | 1,488,685    | –       |
| **Total**              | 7,414,859   | 5,405,072    | 2,009,787    | –       |