FINANCIAL STATEMENTS



USO OF METROPOLITAN WASHINGTON-BALTIMORE, INC.

FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2017

USO OF METROPOLITAN WASHINGTON-BALTIMORE, INC.

CONTENTS

		PAGE NO.
INDEPENDENT AUDITOR'S REPORT		2 - 3
EXHIBIT A -	Statement of Financial Position, as of June 30, 2018, with Summarized Financial Information for 2017	4
EXHIBIT B -	Statement of Activities and Change in Net Assets, for the Year Ended June 30, 2018, with Summarized Financial Information for 2017	5
EXHIBIT C -	Statement of Functional Expenses, for the Year Ended June 30, 2018, with Summarized Financial Information for 2017	6 - 7
EXHIBIT D -	Statement of Cash Flows, for the Year Ended June 30, 2018, with Summarized Financial Information for 2017	8
NOTES TO FINANCIAL STATEMENTS		9 - 14

GELMAN, ROSENBERG
& FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USO of Metropolitan Washington-Baltimore, Inc.
Fort Myer, Virginia

We have audited the accompanying financial statements of the USO of Metropolitan Washington-Baltimore, Inc. (USO-Metro), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USO-Metro as of June 30, 2018, and the change 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 USO-Metro's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



October 29, 2018

USO OF METROPOLITAN WASHINGTON-BALTIMORE, INC.

STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

ASSETS

	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	$ 3,457,809	$ 2,770,200
Accounts receivable	467,386	504,447
Contributions receivable	288,580	335,873
Prepaid expenses	73,958	70,625
Investments	101,286	25,636
Due from USO, Inc.	234,320	147,919
Inventory	793,255	531,433
Total current assets	5,416,594	4,386,133
FIXED ASSETS		
Furniture and equipment	2,040,408	2,154,447
Automobile and mobile canteen	473,293	462,665
Leasehold improvements	2,633,093	2,448,978
Less: Accumulated depreciation and amortization	(4,530,572)	(4,360,093)
Net fixed assets	616,222	705,997
OTHER ASSETS - Deposits	56,998	37,180
TOTAL ASSETS	**$ 6,089,814**	**$ 5,129,310**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 329,882	$ 183,678
Accrued paid time off	188,656	175,047
Deferred revenue	749,180	790,376
Total current liabilities	1,267,718	1,149,101
NET ASSETS		
Unrestricted	4,550,260	3,541,829
Temporarily restricted	261,836	428,380
Permanently restricted	10,000	10,000
Total net assets	4,822,096	3,980,209
TOTAL LIABILITIES AND NET ASSETS	**$ 6,089,814**	**$ 5,129,310**

See accompanying notes to financial statements.

EXHIBIT B

USO OF METROPOLITAN WASHINGTON-BALTIMORE, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	2018						2017
	Unrestricted			Restricted			
	Operating	In-Kind	Total	Temporarily Restricted	Permanently Restricted	Total	Total
PUBLIC SUPPORT AND REVENUE							
Public Support:							
Contributions	$ 2,691,024	$ 3,649,226	$ 6,340,250	$ 255,300	$ -	$ 6,595,550	$ 6,422,905
United Way	51,883	-	51,883	-	-	51,883	59,557
Airport income	371,734	2,261,115	2,632,849	-	-	2,632,849	2,584,940
Special events:							
Ohio event (net)	324,020	-	324,020	-	-	324,020	171,036
Annual dinner (net)	600,228	-	600,228	-	-	600,228	633,688
Other (net)	1,162,389	-	1,162,389	-	-	1,162,389	868,325
Total public support	5,201,278	5,910,341	11,111,619	255,300	-	11,366,919	10,740,451
Revenue:							
Sales	64	-	64	-	-	64	(4,547)
Investment income	18,477	-	18,477	-	-	18,477	7,801
Miscellaneous	-	-	-	-	-	-	35,141
Total revenue	18,541	-	18,541	-	-	18,541	38,395
Net assets released from donor restrictions	179,634	242,210	421,844	(421,844)	-	-	-
Total public support and revenue	5,399,453	6,152,551	11,552,004	(166,544)	-	11,385,460	10,778,846
EXPENSES							
Program Services:							
Operational Programs	1,360,326	1,178,014	2,538,340	-	-	2,538,340	2,979,055
Information Referral	292,880	94,865	387,745	-	-	387,745	354,214
Operational Centers	2,001,261	4,531,342	6,532,603	-	-	6,532,603	6,349,913
Total program services	3,654,467	5,804,221	9,458,688	-	-	9,458,688	9,683,182
Supporting Services:							
Management and General	557,420	19,986	577,406	-	-	577,406	646,592
Fundraising	438,624	68,855	507,479	-	-	507,479	385,742
Total supporting services	996,044	88,841	1,084,885	-	-	1,084,885	1,032,334
Total expenses	4,650,511	5,893,062	10,543,573	-	-	10,543,573	10,715,516
Change in net assets	748,942	259,489	1,008,431	(166,544)	-	841,887	63,330
Net assets at beginning of year	3,047,775	494,054	3,541,829	428,380	10,000	3,980,209	3,916,879
NET ASSETS AT END OF YEAR	**$ 3,796,717**	**$ 753,543**	**$ 4,550,260**	**$ 261,836**	**$ 10,000**	**$ 4,822,096**	**$ 3,980,209**

See accompanying notes to financial statements.

USO OF METROPOLITAN WASHINGTON-BALTIMORE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	2018											
	Operational Programs			Information Referral			Operational Centers			Management and General		
	Operating	In-Kind	Total	Operating	In-Kind	Total	Operating	In-Kind	Total	Operating	In-Kind	Total
Salaries	$ 619,576	$ -	$ 619,576	$ 212,533	$ -	$ 212,533	$ 1,039,804	$ -	$ 1,039,804	$ 424,153	$ -	$ 424,153
Employee benefits	79,564	-	79,564	27,293	-	27,293	133,528	-	133,528	54,468	-	54,468
Payroll taxes	43,172	-	43,172	14,809	-	14,809	72,454	-	72,454	29,555	-	29,555
Total salaries and related expenses	742,312	-	742,312	254,635	-	254,635	1,245,786	-	1,245,786	508,176	-	508,176
Supplies	305,083	1,120,680	1,425,763	3,178	18	3,196	324,037	1,324,393	1,648,430	2,131	36	2,167
Telephone	11,772	-	11,772	3,158	-	3,158	88,266	16,748	105,014	2,497	-	2,497
Postage and shipping	2,102	-	2,102	146	-	146	6,579	-	6,579	266	-	266
Occupancy and rent	-	20,352	20,352	-	6,981	6,981	-	2,642,858	2,642,858	-	13,933	13,933
Equipment rent and maintenance	6,221	-	6,221	1,824	-	1,824	34,567	50,522	85,089	1,483	-	1,483
Travel	38,802	11,945	50,747	3,615	1,967	5,582	29,154	273,082	302,236	4,283	981	5,264
Professional fees	122,405	-	122,405	19,335	83,376	102,711	156,558	-	156,558	33,493	-	33,493
Conferences and meetings	69,877	14,467	84,344	711	-	711	5,955	5,425	11,380	962	-	962
Printing and publishing	3,693	-	3,693	1,313	-	1,313	636	-	636	29	-	29
Insurance	14,467	281	14,748	1,792	-	1,792	38,280	-	38,280	3,577	-	3,577
Miscellaneous	11,000	-	11,000	845	-	845	8,099	-	8,099	68	-	68
Total before depreciation and amortization	1,327,734	1,167,725	2,495,459	290,552	92,342	382,894	1,937,917	4,313,028	6,250,945	556,965	14,950	571,915
Depreciation and amortization	32,592	10,289	42,881	2,328	2,523	4,851	63,344	218,314	281,658	455	5,036	5,491
TOTAL	**$ 1,360,326**	**$ 1,178,014**	**$ 2,538,340**	**$ 292,880**	**$ 94,865**	**$ 387,745**	**$ 2,001,261**	**$ 4,531,342**	**$ 6,532,603**	**$ 557,420**	**$ 19,986**	**$ 577,406**

See accompanying notes to financial statements.

USO OF METROPOLITAN WASHINGTON-BALTIMORE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	2018 (Continued)						2017
	Fundraising			Total			
	Operating	In-Kind	Total	Operating	In-Kind	Total	Total
Salaries	$ 286,443	$ -	$ 286,443	$ 2,582,509	$ -	$ 2,582,509	$ 2,571,198
Employee benefits	36,784	-	36,784	331,637	-	331,637	316,026
Payroll taxes	19,959	-	19,959	179,949	-	179,949	193,291
Total salaries and related expenses	343,186	-	343,186	3,094,095	-	3,094,095	3,080,515
Supplies	8,716	124	8,840	643,145	2,445,251	3,088,396	3,232,571
Telephone	6,605	-	6,605	112,298	16,748	129,046	140,120
Postage and shipping	999	-	999	10,092	-	10,092	9,802
Occupancy and rent	-	9,409	9,409	-	2,693,533	2,693,533	2,682,597
Equipment rent and maintenance	2,189	-	2,189	46,284	50,522	96,806	128,616
Travel	10,948	663	11,611	86,802	288,638	375,440	368,512
Professional fees	47,035	55,258	102,293	378,826	138,634	517,460	387,308
Conferences and meetings	9,533	-	9,533	87,038	19,892	106,930	82,615
Printing and publishing	1,513	-	1,513	7,184	-	7,184	10,471
Insurance	2,416	-	2,416	60,532	281	60,813	59,535
Miscellaneous	2,295	-	2,295	22,307	-	22,307	70,586
Total before depreciation and amortization	435,435	65,454	500,889	4,548,603	5,653,499	10,202,102	10,253,248
Depreciation and amortization	3,189	3,401	6,590	101,908	239,563	341,471	462,268
TOTAL	**$ 438,624**	**$ 68,855**	**$ 507,479**	**$ 4,650,511**	**$ 5,893,062**	**$ 10,543,573**	**$ 10,715,516**

See accompanying notes to financial statements.

USO OF METROPOLITAN WASHINGTON-BALTIMORE, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 841,887	$ 63,330
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	341,471	462,268
Value of donated fixed assets	(55,300)	(145,521)
Value of donated investments	(76,148)	(2,342)
Gain on disposal of fixed assets	-	(32,500)
Net realized and unrealized loss (gain) on investments	498	(1,893)
Decrease (increase) in:		
Accounts receivable	37,061	183,093
Contributions receivable	47,293	(110,272)
Prepaid expenses	(3,333)	(19,765)
Due from USO World	(86,401)	184,432
Inventory	(261,822)	92,222
Deposits	(19,818)	97,686
Increase (decrease) in:		
Accounts payable and accrued liabilities	146,204	(212,890)
Accrued vacation	13,609	(8,699)
Deferred revenue	(41,196)	(64,709)
Net cash provided by operating activities	884,005	484,440
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(196,396)	(307,381)
Proceeds from sale of fixed assets	-	32,500
Net cash used by investing activities	(196,396)	(274,881)
Net increase in cash and cash equivalents	687,609	209,559
Cash and cash equivalents at beginning of year	2,770,200	2,560,641
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 3,457,809**	**$ 2,770,200**

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The USO of Metropolitan Washington-Baltimore, Inc. (USO-Metro), a non-profit organization, was incorporated in Washington, D.C. and is responsible for maintaining USO facilities in the District of Columbia, Maryland, and Northern Virginia to serve the members of the Armed Forces and their families.

Effective September 6, 2013, the USO of Metropolitan Washington-Baltimore, Inc. changed its name from the USO Council of Metropolitan Washington, Inc.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

The financial statements include certain prior year summarized 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 USO-Metro's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Cash and cash equivalents -

USO-Metro considers all cash and other highly liquid investments with initial maturities less than twelve months to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000. At times during the year, USO-Metro maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Accounts and contributions receivables -

Accounts and contributions receivable approximate fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established. Accounts and contributions receivable are to be collected within one year.

Investments -

Investments are recorded at their readily determinable fair value. An unrealized loss of $498 and interest and dividend income of $18,975 are included in investment income in the Statement of Activities and Change in Net Assets. Using the provisions of FASB ASC 820, *Fair Value Measurement*, USO-Metro has categorized its investments as Level 1 investments.

Inventory -

Inventory consists of donated supplies, donated office supplies and equipment, purchased Pack for Troops supplies and promotional items. Donated supplies and equipment are recorded at fair market value at the date of the gift. All other inventory items are recorded at the lower of cost or market value using the first-in, first-out method of inventory.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Fixed assets -

Fixed assets are stated at cost or the fair market value at the date of gift and are depreciated on the straight-line method over their estimated useful lives of three to five years. Leasehold improvements are recorded at cost or the fair market value at the date of gift and are amortized over five years. USO-Metro capitalizes all purchases greater than $1,000. The cost of maintenance and repairs is recorded as expenses are incurred.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to Statement of Activities and Change in Net Assets, to its current fair value.

Deferred revenue -

Deferred revenue consists of monies received in advance for special events. USO-Metro recognizes special events revenue when the related event has occurred.

Net asset classification -

The net assets are reported in three self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of USO-Metro and include both internally designated and undesignated resources.

- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of USO-Metro and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

- **Permanently restricted net assets** represent funds restricted by the donor to be maintained in-perpetuity by USO-Metro.

Contributions -

Unrestricted and temporarily restricted contributions are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions.

Temporarily restricted contributions received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements. Contributions receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Income taxes -

USO-Metro is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. USO-Metro is not a private foundation.

Uncertain tax positions -

For the year ended June 30, 2018, USO-Metro has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

New accounting pronouncements not yet adopted -

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made,* which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. USO-Metro has not yet decided on a transition method. The ASU is effective for years beginning after December 15, 2018.

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* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statement of Activities and Change in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of USO-Metro's financial statements, it is not expected to alter USO-Metro's reported financial position.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The effective date for this ASU is fiscal years beginning after December 15, 2018. Early adoption is permitted and should be applied retrospectively in the year the ASU is first applied.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncements not yet adopted (continued) -

USO-Metro plans to adopt these new accounting pronouncements at the required implementation dates.

Use of estimates -

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Risks and uncertainties -

USO-Metro invests in various investment securities. Investment securities are exposed to various risks such as interest rates, 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 the amounts reported in the accompanying financial statements.

Fair value measurement -

USO-Metro adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. USO-Metro accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2018 and 2017 consisted of the following:

	2018	2017
Fixed Assets	$ 205,315	$ 392,225
Emergency Housing	33,668	33,668
Dulles Construction	-	1,158
Warehouse Renovations	21,524	-
Scholarships	1,329	1,329
TOTAL TEMPORARILY RESTRICTED NET ASSETS	**$ 261,836**	**$ 428,380**

3. NET ASSETS RELEASED FROM RESTRICTIONS

The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

	2018	2017
Fixed Assets	$ 242,210	$ 374,731
Dulles Construction	1,158	6,088
Warehouse Renovations	178,476	-
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**$ 421,844**	**$ 380,819**

4. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets at June 30, 2018 and 2017, consisted of a contribution made to establish the C. Haskell Small Fund, restricted by the donor to remain in perpetuity. The investment income generated from the contribution is to be used to fund an annual award.

5. PENSION PLAN

Effective July 1, 2009, USO-Metro established a 401(k) retirement plan covering all full-time employees. Under the terms of the Plan, eligible employees may contribute to the retirement plan up to the maximum provided by IRS guidelines. USO-Metro may provide discretionary matching contributions for participating employees based upon their yearly contribution to the Plan.

For the years ended June 30, 2018 and 2017, USO-Metro made matching contributions totaling $171,813 and $158,136, respectively.

6. IN-KIND CONTRIBUTIONS

In-kind contributions are reflected in the financial statements at their fair value on the date the contribution is made. In-kind contributions in the form of materials, equipment, utilities, lodging, event tickets, advertising, public relations services and rental space are reflected in the accompanying financial statements as contribution revenue, airport income and special events. The values of these contributions for the years ended June 30, 2018 and 2017 totaled $6,076,626 and $5,954,697, respectively.

USO-Metro also receives a substantial number of volunteers who have donated significant amounts of their time assisting with program services and its fundraising campaigns. No amounts have been reflected in the financial statements for the time donated by volunteers inasmuch as no objective basis is available to measure the value of such services.

7. SPECIAL EVENTS

USO-Metro held several special event functions during the fiscal years ended June 30, 2018 and 2017.

7. SPECIAL EVENTS (Continued)

Revenue and expenses for these functions are as follows:

	2018	2017
Ohio Event:		
Revenue	$ 608,561	$ 391,313
Expenses	(284,541)	(220,277)
	$ 324,020	**$ 171,036**
Annual Dinner:		
Revenue	$ 1,028,790	$ 1,028,850
Expenses	(428,562)	(395,162)
	$ 600,228	**$ 633,688**
Other		
Revenue	$ 1,488,266	$ 1,272,876
Expenses	(325,877)	(404,551)
	$ 1,162,389	**$ 868,325**

8. SUBSEQUENT EVENTS

In preparing these financial statements, USO-Metro has evaluated events and transactions for potential recognition or disclosure through October 29, 2018, the date the financial statements were issued.