



**United Way
of Lake County**

**AUDITED
FINANCIAL STATEMENTS**

JUNE 30, 2018 AND 2017

UNITED WAY OF LAKE COUNTY, INC.

INDEX

JUNE 30, 2018 AND 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Lake County, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Lake County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, 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 the United Way of Lake County, Inc. as of June 30, 2018 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.

Report on Summarized Comparative Information

We have previously audited United Way of Lake County, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 2017. In our opinion, the accompanying 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.



Report on Supplementary Information

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

Concord, Ohio
November 8, 2018

H.J.
Certified Public Accountants

UNITED WAY OF LAKE COUNTY, INC.
 STATEMENTS OF FINANCIAL POSITION
 AS OF JUNE 30, 2018
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	2018	2017
ASSETS		
Cash & Cash Equivalents	\$ 219,087	\$ 264,976
Pledges Receivable	719,673	813,412
(Less Allowance for Uncollectible Pledges)	(80,000)	(90,000)
Prepaid Expenses and Other	7,485	7,487
Cash Surrender Value of Life Insurance	26,374	25,640
Investments	2,004,651	1,861,691
Property and Equipment, Net	464,586	486,998
TOTAL ASSETS	\$ 3,361,856	\$ 3,370,204
LIABILITIES AND NET ASSETS		
Allocations Payable	\$ 1,104,009	\$ 1,200,000
Designations Payable	36,529	38,404
Accounts Payable	30,511	14,692
Other Payables	1,505	2,713
Accrued Expenses	17,604	23,079
TOTAL LIABILITIES	1,190,158	1,278,888
NET ASSETS		
Unrestricted	1,582,287	1,551,200
Temporarily Restricted	589,411	540,116
TOTAL NET ASSETS	2,171,698	2,091,316
TOTAL LIABILITIES AND NET ASSETS	\$ 3,361,856	\$ 3,370,204

See accompanying notes.

UNITED WAY OF LAKE COUNTY, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	UNRESTRICTED	TEMPORARILY RESTRICTED	2018	2017
PUBLIC SUPPORT AND REVENUES				
Gross Campaign Results	\$ 1,984,455	\$ 121,000	\$ 2,105,455	\$ 2,188,023
Less Donor Designations	(164,816)	-	(164,816)	(142,860)
Less Allowance for Uncollectible	(55,944)	-	(55,944)	(58,979)
Net Campaign Revenue	<u>1,763,695</u>	<u>121,000</u>	<u>1,884,695</u>	<u>1,986,184</u>
Gifts In-Kind	160,899	-	160,899	142,983
Grant	7,780	30,000	37,780	12,128
Bequest	24,579	-	24,579	-
Other Income	1,320	-	1,320	3,495
Net Assets Released from Restrictions	<u>138,257</u>	<u>(138,257)</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC SUPPORT & REVENUES	2,096,530	12,743	2,109,273	2,144,790
EXPENSES				
Program Services:				
Gross Funds Awarded/Distributed	1,329,893	-	1,329,893	1,349,064
Less Donor Designations	(164,816)	-	(164,816)	(142,860)
Net Funds Awarded/Distributed	<u>1,165,077</u>	<u>-</u>	<u>1,165,077</u>	<u>1,206,204</u>
Community Impact	491,647	-	491,647	469,068
Allocations & Agency Relations	<u>100,461</u>	<u>-</u>	<u>100,461</u>	<u>87,511</u>
Total Program Services	<u>1,757,185</u>	<u>-</u>	<u>1,757,185</u>	<u>1,762,783</u>
Supporting Services:				
Management & General	157,506	-	157,506	151,185
Resource Development	<u>268,543</u>	<u>-</u>	<u>268,543</u>	<u>300,826</u>
Total Supporting Services	<u>426,049</u>	<u>-</u>	<u>426,049</u>	<u>452,011</u>
Total Expenses	2,183,234	-	2,183,234	2,214,794
Decrease in Net Assets as a Result of Operations	(86,704)	12,743	(73,961)	(70,004)
NON-OPERATING ACTIVITIES				
Unrealized Gain on Investments	11,391	24,609	36,000	153,339
Investment Income	<u>106,400</u>	<u>11,943</u>	<u>118,343</u>	<u>67,803</u>
	<u>117,791</u>	<u>36,552</u>	<u>154,343</u>	<u>221,142</u>
CHANGE IN NET ASSETS	31,087	49,295	80,382	151,138
NET ASSETS - BEGINNING	<u>1,551,200</u>	<u>540,116</u>	<u>2,091,316</u>	<u>1,940,178</u>
NET ASSETS - ENDING	<u>\$ 1,582,287</u>	<u>\$ 589,411</u>	<u>\$ 2,171,698</u>	<u>\$ 2,091,316</u>

See accompanying notes.

UNITED WAY OF LAKE COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

EXPENSES	DIRECT COMMUNITY SERVICE PROGRAMS			SUPPORTING SERVICES			TOTAL	
	ALLOCATIONS			MANAGEMENT & GENERAL	RESOURCE DEVELOPMENT	TOTAL	2018	2017
	COMMUNITY IMPACT	& AGENCY RELATIONS	TOTAL					
Salaries	\$ 162,322	\$ 65,444	\$ 227,766	\$ 84,202	\$ 151,309	\$ 235,511	\$ 463,277	\$ 464,529
Employee Benefits	29,060	11,716	40,776	15,074	27,088	42,162	82,938	75,275
Payroll Taxes	12,495	5,038	17,533	6,482	11,647	18,129	35,662	36,019
Total Personnel Cost	203,877	82,198	286,075	105,758	190,044	295,802	581,877	575,823
Gifts in Kind	155,138	-	155,138	-	5,761	5,761	160,899	142,983
Food	53,511	-	53,511	-	-	-	53,511	36,100
Meetings & Awards	13,460	-	13,460	-	20,289	20,289	33,749	44,450
Professional & Contract Service Fees	7,771	2,806	10,577	14,238	7,299	21,537	32,114	31,069
Miscellaneous	8,869	2,033	10,902	14,023	4,701	18,724	29,626	26,809
Occupancy	12,713	3,317	16,030	7,739	3,870	11,609	27,639	28,082
Depreciation	10,310	2,689	12,999	6,275	3,138	9,413	22,412	22,599
United Way Worldwide Membership Dues	7,359	2,967	10,326	3,817	6,860	10,677	21,003	24,113
Media	5,795	-	5,795	-	12,403	12,403	18,198	18,773
Telephone/Email	4,642	1,871	6,513	2,408	4,327	6,735	13,248	11,338
Insurance	2,587	1,043	3,630	1,342	2,412	3,754	7,384	7,164
Travel & Conferences	2,056	884	2,940	775	3,373	4,148	7,088	5,789
Advertising	852	-	852	-	2,555	2,555	3,407	20,054
Postage	899	362	1,261	466	838	1,304	2,565	7,330
Supplies	723	291	1,014	375	673	1,048	2,062	2,339
Dues & Subscriptions	1,085	-	1,085	290	-	290	1,375	3,775
Subtotal	\$ 491,647	\$ 100,461	592,108	\$ 157,506	\$ 268,543	426,049	1,018,157	1,008,590
Allocations/Awards			1,165,077			-	1,165,077	1,206,204
Total			\$ 1,757,185			\$ 426,049	\$ 2,183,234	\$ 2,214,794

See accompanying notes.

UNITED WAY OF LAKE COUNTY, INC.

STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2017)

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 80,382	\$ 151,138
Adjustments to Reconcile Change in Net Assets to Cash Provided by (Used by) Operating Activities:		
Depreciation	22,412	22,598
Decrease in Allowance for Uncollectible Pledges	(10,000)	(25,000)
Net Realized and Unrealized Gains on Investments	(120,347)	(188,712)
Decrease(Increase) in Operating Assets:		
Pledges Receivable	93,739	52,496
Prepaid Expenses and Other	2	(185)
Increase(Decrease) in Operating Liabilities:		
Allocations Payable	(95,991)	(200,000)
Designations Payable	(1,875)	(5,633)
Accounts Payable	15,819	14,306
Other Payables	(1,208)	(650)
Accrued Expenses	<u>(5,475)</u>	<u>1,929</u>
Cash Used by Operating Activities	<u>(22,542)</u>	<u>(177,713)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	-	(11,250)
Increase in CSV of Life Insurance	(734)	(752)
Net Purchase of Investments	<u>(22,613)</u>	<u>(14,503)</u>
Cash Used by Investing Activities	<u>(23,347)</u>	<u>(26,505)</u>
Net Decrease in Cash	(45,889)	(204,218)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	<u>264,976</u>	<u>469,194</u>
CASH AND EQUIVALENTS AT END OF YEAR	<u>\$ 219,087</u>	<u>\$ 264,976</u>

See accompanying notes.

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

1. NATURE AND SCOPE OF ACTIVITIES

United Way of Lake County, Inc. ("UWLC"), an Ohio nonprofit corporation founded in 1972, is a voluntary health and welfare organization governed by a volunteer Board of Directors. UWLC's mission is to measurably improve the quality of people's lives in Lake County. UWLC's vision is to become the entrusted champion that drives improved outcomes in the Lake County, Ohio community by funding services that impact health, education and financial stability. The web address of UWLC is www.uwlc.org.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

COMPARATIVE FINANCIAL STATEMENTS

The financial statements include certain June 30, 2017 comparative amounts. Such total amounts, for June 30, 2017 only, do not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such amounts should be read in conjunction with UWLC's financial statements for the year ended June 30, 2017, from which the comparative total amounts were derived. The auditor's report dated November 16, 2017 expressed an unmodified opinion on those financial statements.

BASIS OF ACCOUNTING

The accompanying financial statements of UWLC have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

BASIS OF PRESENTATION

UWLC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

CAMPAIGN YEAR, PLEDGES AND ALLOCATION TO AGENCIES

Each year, from July to June, UWLC conducts its annual fundraising campaign. Unconditional pledges are recorded when received. Pledges are collected over a period of approximately two years from the beginning of the campaign. Final results of the campaign are used to develop an allocation to agencies that will be paid in the next period. Each April, a review process is conducted by community volunteers to determine allocation payments to agencies. In June, the Board approves the allocations and agreements are executed with the agencies. Allocations are recognized as a liability when formally approved by the Board and communicated to agencies, and are generally paid over the ensuing twelve months.

DONOR DESIGNATIONS

Designations from donors to specific nonprofit organizations other than UWLC are deducted from gross campaign results to arrive at net contribution revenue. Similarly, gross funds awarded/distributed are reduced by donor designations. United Way pledges received from donors who have elected to use third-party pledge administrators to process the designation payments on their behalf are included in gross campaign results and gross agency distributions, in accordance with United Way Worldwide membership requirements. They are not included in pledges receivable or designations payable because those donations are paid directly by the donor to the third party administrator to remit to the designated agencies.

COMPENSATED ABSENCES

Employees of UWLC are entitled to paid vacations, sick days, and personal days off depending on job classification, length of service, and other factors. UWLC's policy is to recognize the costs of compensated absences when earned by its employees according to personnel policy.

FUNCTIONAL EXPENSES

Expenses are charged to the direct program services and supporting program services on the basis of actual time and expense and on estimates made by UWLC's management. This allocation of expenses has been summarized in the statement of activities and in the statement of functional expenses. All expenses of UWLC have been allocated on this basis.

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

CONCENTRATION OF CREDIT AND MARKET RISKS

Primarily all of UWLC's revenues and receivables are from businesses and individuals located in northeastern Ohio.

UWLC's cash and cash equivalents, which are deposited in financial institutions, may at times exceed federally insured limits. UWLC has not experienced losses in such accounts and believes it is not exposed to significant credit risk on its cash and cash equivalents.

The cash and investment balances are in compliance with the investment policy of UWLC and are overseen by UWLC's finance committee.

CASH AND CASH EQUIVALENTS

UWLC considers all highly liquid debt instruments purchased with an original maturity of three months or less (excluding those held in brokerage accounts designated for long-term investment) to be cash equivalents. Because of the short maturity of these financial instruments, the carrying value approximates the fair value.

PLEDGES AND GRANTS RECEIVABLE

Pledges and grants receivable are stated at the amount management expects to collect from outstanding balances. Provision for uncollectible pledges is determined based upon historical experience adjusted by management estimates of current economic factors, applied to gross campaign, excluding donor designations. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts. The allowance for doubtful accounts at June 30, 2018 and 2017 was \$80,000 and \$90,000, respectively. For the annual campaign, any remaining uncollectible pledge balances are written off as of the succeeding year-end.

INVESTMENTS

UWLC records investments in securities at the fair value on date of purchase or donation and recognizes the unrealized gain or loss resulting from the difference between cost and market value in the statement of activities. Investments with readily determinable fair values are stated at fair market value in the statement of financial position.

FAIR VALUE MEASUREMENTS

Accounting guidance provides a framework for measuring fair value, establishing a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, and requires expanded disclosures about fair value measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Investments that are market traded, such as equity and debt securities and mutual funds, are recorded at fair value based primarily on quoted market prices, as established by the major securities markets (Level 1).

PROPERTY AND EQUIPMENT

Purchased assets are stated at cost and donated assets are stated at the fair market value at the date of acquisition. Depreciation is computed on the straight-line basis over the assets' estimated useful lives (5-40 years). UWLC generally capitalizes all expenditures for property and equipment in excess of \$5,000. Repairs and maintenance are expensed as incurred.

RETIREMENT PLAN

UWLC provides for eligible staff employees to participate in a 401(k) defined contribution plan. The total employer contributions were \$21,065 and \$17,369 for the years ended June 30, 2018 and 2017, respectively.

ADVERTISING

Advertising is expensed as incurred. Advertising expense, including in-kind, amounted to \$22,458 (2018) and \$31,278 (2017).

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

IMPAIRMENT OF ASSETS

UWLC accounts for long-lived assets in accordance with the *Accounting for Impairment of Long-Lived Assets* topic of the FASB *Accounting Standards Codification (ASC)*. This guidance requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. No impairment charges were recorded during the years ended June 30, 2018 and 2017.

RECOGNITION OF CONTRIBUTION REVENUE

Contributions received are recorded as unrestricted, temporarily restricted, and permanently restricted support depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of time or purpose restrictions. At June 30, 2018 and 2017, UWLC had no permanently restricted net assets subject to donor restrictions that the contributed principal be invested in perpetuity and only the income be utilized.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the net present value of their estimated future cash flows. The discounts on those amounts are computed using the risk-free interest rates applicable for the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are included as support once the conditions are substantially met.

Contributions of cash or other assets restricted to the acquisition of long-lived assets are recorded as temporarily restricted contributions. If there are no donor restrictions on the long-lived asset's use, the donor restrictions are considered met once the long-lived assets are acquired and the temporarily restricted net assets are reclassified to the unrestricted net asset class.

TEMPORARILY RESTRICTED NET 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 to unrestricted net assets and are reported in the statement of activities as assets released from restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

DONATED SERVICES AND MATERIAL

Donated services that are recognized in the financial statements either (a) create or enhance non-financial assets or (b) require specialized skills, provided by entities or persons possessing those skills that would be purchased if not donated. UWLC receives a significant amount of donated services from volunteers who assist in the annual campaign, grant allocation process and special projects. No amounts have been recognized for donated services described above since they did not meet the criteria for recognition.

Contributed food in the amount of \$133,750 and \$118,282 was recognized as program expense in 2018 and 2017, respectively and is reflected on the statement of functional expenses.

UWLC received donated program materials, advertising and printing in the amount of \$26,649 (2018) and \$24,701 (2017).

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the allowance for uncollectible pledges.

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

UNITED WAY WORLDWIDE MEMBERSHIP DUES

United Way Worldwide membership is a support payment for which UWLC receives, among other things, the right to use the national brand in charitable endeavors, national advocacy of issues, membership education and training, centralized creation and support for marketing of fundraising campaigns, fostering of relationships with national organizations that support multiple members, establishment and monitoring of compliance with standards of accountability by members, establishment of policies and processes that improve operational efficiencies amongst members, and promotion of concept of local community impact on a national scale.

Annual dues are paid in quarterly installments to United Way Worldwide. These totaled \$21,003 and \$24,114 for the years ended June 30, 2018 and 2017, respectively.

INCOME TAXES

UWLC is organized as a nonprofit organization exempt from income tax under 501(c)(3) of the Internal Revenue Code. Income taxes on unrelated business income, if any, are provided at the applicable rates on income for financial reporting purposes. UWLC had no unrelated business income during 2018 or 2017. No tax accrual for uncertain tax positions was recorded as management believes there are no uncertain tax positions.

RECLASSIFICATIONS

Certain amounts for 2017 have been reclassified to conform to the 2018 presentation.

RECENT ACCOUNTING PRONOUNCEMENTS

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. This standard intends to make certain improvements to the current reporting requirements for not-for-profit entities. This standard sets forth changes to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance and cash flows. ASU 2016-14 is effective for the Organization for reporting periods beginning after December 15, 2017. The standard is expected to have an impact on the presentation of net assets and to result in enhanced disclosures related to liquidity and availability.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This ASU requires lessees to recognize assets and liabilities on the balance sheet for leases with lease terms greater than twelve months. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. This amends current guidance that requires only capital leases to be recognized on the lessee balance sheet. ASU 2016-02 will also require additional disclosures on the amount, timing and uncertainty of cash flows arising from leases. The guidance is effective for the Organization for reporting periods beginning after December 15, 2018 with early adoption permitted. The Organization is currently evaluating the impact that ASU 2016-02 will have on its financial statements and will adopt the provisions upon the effective date.

3. INVESTMENTS

Investments, all classified as Level 1 in the fair value hierarchy, are composed of the following at June 30:

	2018		2017	
	FAIR VALUE	COST	FAIR VALUE	COST
Cash and Cash Equivalents	\$ 81,376	\$ 81,376	\$ 94,269	\$ 94,269
Mutual Funds - Equities	1,315,277	1,007,540	1,283,024	1,025,643
Mutual Funds - Fixed Income	607,998	645,211	484,398	507,256
	<u>\$ 2,004,651</u>	<u>\$ 1,734,127</u>	<u>\$ 1,861,691</u>	<u>\$ 1,627,168</u>

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

Investment returns as of June 30 are summarized by net asset class as follows:

	2018		
	Unrestricted	Temporarily Restricted	Total
Investment Earnings	\$ 26,721	\$ 7,285	\$ 34,006
Realized Gains on Investments	67,013	17,324	84,337
Unrealized Gain on Investments	24,057	11,943	36,000
	<u>\$ 117,791</u>	<u>\$ 36,552</u>	<u>\$ 154,343</u>

	2017		
	Unrestricted	Temporarily Restricted	Total
Investment Earnings	\$ 95,563	\$ 25,347	\$ 120,910
Realized Gains on Investments	24,932	7,497	32,429
Unrealized Gain on Investments	47,062	20,741	67,803
	<u>\$ 167,557</u>	<u>\$ 53,585</u>	<u>\$ 221,142</u>

4. FUNCTIONAL CATEGORIES

Community Impact includes coordination of UWLC staff, volunteers, and other resources to conduct activities for the betterment of the community. *Allocations and Agency Relations* include the evaluation of community needs and the distribution of funds to best meet those needs.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2018	2017
Land & Improvements	\$ 200,500	\$ 200,500
Building & Improvements	869,463	869,463
Office Furniture & Equipment	75,756	79,236
	1,145,719	1,149,199
Accumulated Depreciation	(681,133)	(662,201)
	<u>\$ 464,586</u>	<u>\$ 486,998</u>

Depreciation expense for the period was \$22,412 (2018) and \$22,598 (2017).

6. CAMPAIGN REVENUE

Gross revenues earned by campaign year are as follows:

	2018	2017
Campaign Year:		
2018	\$ 51,219	\$ -
2017	2,022,768	64,936
2016	31,468	2,057,721
Prior Periods	-	65,366
	<u>\$ 2,105,455</u>	<u>\$ 2,188,023</u>

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

7. LINE OF CREDIT

UWLC maintains a revolving line of credit at its bank in the amount of \$500,000. The line bears interest at the bank's prime rate (5.00% at June 30, 2018) and is secured by UWLC's invested assets at the bank. The line is renewable on April 15, 2019. There were no amounts outstanding on the line as of June 30, 2018 and 2017.

8. OPERATING LEASE COMMITMENTS

UWLC leases certain office equipment under an operating lease. Minimum future lease payments required under the remaining lease are \$10,923 annually through 2021 and \$7,282 in 2019.

Rent expense under all leases was approximately \$13,000 in 2018 and \$14,000 in 2017.

9. NET ASSETS

Temporarily restricted net assets consist of the following at June 30:

	<u>Restriction</u>	<u>2018</u>	<u>2017</u>
Capital Improvements	Purpose	\$ 446,176	\$ 417,201
Program and Outreach	Purpose	<u>143,235</u>	<u>122,915</u>
		<u>\$ 589,411</u>	<u>\$ 540,116</u>

There are no permanently restricted net assets.

10. SUBSEQUENT EVENTS

In preparing these financial statements, UWLC has evaluated events and transactions for potential recognition or disclosure through November 8, 2018, the date the financial statements were available to be issued.

UNITED WAY OF LAKE COUNTY, INC.

SCHEDULES OF FUNDS AWARDED TO MEMBER AGENCIES AND OTHERS

FOR THE YEARS ENDED JUNE 30

	2018	2017
ALLOCATIONS		
American Red Cross	\$ -	\$ 6,661
Beacon Health	15,000	46,972
Big Brothers Big Sisters of Northeast Ohio	56,000	60,241
Birthright, Lake Co.	12,000	6,500
Camp Sue Osborn	29,777	29,777
Catholic Charities Corporation	35,906	35,210
Crossroads	60,000	27,859
Eastlake Senior Center	-	2,303
Ecumenical Shelter Network of Lake County	65,000	57,220
Fairport Senior Center	-	3,016
Fine Arts Association	20,995	20,995
Forbes House	75,332	68,680
Greater Western Reserve Council, Boy Scouts of America	-	26,866
Hospice of the Western Reserve, Inc.	35,000	32,200
Just Run Lake County/DAWN	14,000	12,300
Kidney Foundation of Ohio, Lake County Chapter	24,600	24,600
Lake Academy	5,200	5,183
Lake County Captains Charities	4,000	3,994
Lake County Community Network	24,000	18,830
Lake County Council on Aging	68,500	68,377
Lake County Free Clinic	126,017	126,017
Lake County YMCA	26,000	63,750
Lake Geauga Furniture Bank	4,000	3,400
Lake Health District Fund	13,000	13,000
Lake-Geauga Recovery Center, Inc.	104,588	104,588
Legal Aid Society	10,000	-
Lifeline, Inc.	126,673	117,670
Madison Senior Center	-	1,848
Mentor Senior Center	-	6,584
New Directions for Living	35,470	35,470
Perry Senior Center	-	1,914
Salvation Army Citadel	66,818	104,456
Salvation Army Service Units	23,633	23,000
Starting Point	22,500	22,243
Western Reserve Community Development	-	4,160
Western Reserve Counseling Service, Inc.	-	10,000
Wickliffe Senior Center	-	2,646
Willowick Senior Center	-	1,470
Total Allocations	<u>1,104,009</u>	<u>1,200,000</u>
GRANTS		
Women's Leadership	29,048	19,754
Youth United Way	15,755	15,000
Other	16,265	11,000
Grant Recovery (Child Care on the Square)	-	(39,550)
Total Grants	<u>61,068</u>	<u>6,204</u>
Total Awarded Funds	<u>\$ 1,165,077</u>	<u>\$ 1,206,204</u>