

**UNITED WAY OF LOGAN COUNTY, OHIO, INC.**  
FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
United Way of Logan County Ohio, Inc.  
Bellefontaine, Ohio

We have audited the accompanying financial statements of United Way of Logan County, Ohio, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

**Managements' Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 United Way of Logan County, Ohio, Inc., as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Holbrook &amp; Manter".

Certified Public Accountants

June 25, 2019  
Marysville, Ohio

MEMBERS

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

OHIO SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**UNITED WAY OF LOGAN COUNTY, OHIO, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2018 AND 2017**

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS:-</b>		
Cash and cash equivalents	\$ 508,479	\$ 476,030
Certificates of deposit	19,809	115,230
Investments, at fair value	276,944	292,578
Pledges receivable, net of allowance for uncollectible accounts	659,496	606,855
Prepaid expenses	<u>1,041</u>	<u>1,010</u>
Total current assets	1,465,769	1,491,703
<b>PROPERTY AND EQUIPMENT:-</b>		
Property and equipment	15,136	15,041
Less accumulated depreciation	<u>( 12,195)</u>	<u>( 10,556)</u>
Net property and equipment	<u>2,941</u>	<u>4,485</u>
<b>OTHER ASSETS:-</b>		
Certificates of deposit	75,905	0
Long term pledges receivable	16,104	31,919
Permanently restricted certificate of deposit	<u>22,795</u>	<u>22,749</u>
Total other assets	<u>114,804</u>	<u>54,668</u>
<b>Total assets</b>	<b>\$ <u>1,583,514</u></b>	<b>\$ <u>1,550,856</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:-</b>		
Allocations payable - agencies	\$ 279,714	\$ 289,131
Out of county donations payable	21,616	14,457
Accrued payroll liabilities	<u>5,773</u>	<u>2,093</u>
Total current liabilities	307,103	305,681
<b>NET ASSETS:-</b>		
Without donor restrictions	578,013	478,451
With donor restrictions	<u>698,398</u>	<u>766,724</u>
Total net assets	<u>1,276,411</u>	<u>1,245,175</u>
<b>Total liabilities and net assets</b>	<b>\$ <u>1,583,514</u></b>	<b>\$ <u>1,550,856</u></b>

The accompanying notes are an integral part of these financial statements.

**UNITED WAY OF LOGAN COUNTY, OHIO, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018			2017		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
<b>PUBLIC SUPPORT:-</b>						
Gross current year campaign revenue	\$ 0	\$ 932,073	\$ 932,073	\$ 0	\$ 875,206	\$ 875,206
Less donor designations	0	( 286,187)	( 286,187)	0	( 107,706)	( 107,706)
Less provision for uncollectible pledges	0	( 59,986)	( 59,986)	0	( 53,546)	( 53,546)
Net current year campaign revenue	0	585,900	585,900	0	713,954	713,954
Net prior year campaign revenue	47,695	0	47,695	53,019	0	53,019
Total public support	47,695	585,900	633,595	53,019	713,954	766,973
<b>OTHER REVENUE:-</b>						
Interest income	291	46	337	277	45	322
Contributions	0	1,050	1,050	0	1,785	1,785
Unrealized (loss) gain on investments	( 15,634)	0	( 15,634)	51,907	0	51,907
Net assets released from restriction	655,322	( 655,322)	0	577,241	( 577,241)	0
Total other revenue	639,979	( 654,226)	( 14,247)	629,425	( 575,411)	54,014
Total public support and other revenue	687,674	( 68,326)	619,348	682,444	138,543	820,987
<b>EXPENSES:-</b>						
<b>Program Expenses:-</b>						
Agency allocation grants	523,230	0	523,230	540,141	0	540,141
Less allocations funded through donor designations	( 286,187)	0	( 286,187)	( 107,706)	0	( 107,706)
Venture grants	191,811	0	191,811	175,394	0	175,394
Total program expenses	428,854	0	428,854	607,829	0	607,829
<b>Functional Expenses:-</b>						
Fundraising	29,923	0	29,923	26,298	0	26,298
Program services	59,854	0	59,854	52,600	0	52,600
Management and general	59,854	0	59,854	52,600	0	52,600
Total functional expenses	149,631	0	149,631	131,498	0	131,498
United Way of America dues	9,627	0	9,627	7,632	0	7,632
Total expenses	588,112	0	588,112	746,959	0	746,959
Change in net assets	99,562	( 68,326)	31,236	( 64,515)	138,543	74,028
Net assets at beginning of year	478,451	766,724	1,245,175	542,966	628,181	1,171,147
<b>Net assets at end of year</b>	<b>\$ 578,013</b>	<b>\$ 698,398</b>	<b>\$ 1,276,411</b>	<b>\$ 478,451</b>	<b>\$ 766,724</b>	<b>\$ 1,245,175</b>

The accompanying notes are an integral part of these financial statements.

**UNITED WAY OF LOGAN COUNTY, OHIO, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018				2017			
	Fund- Raising	Program Services	Management and General	Total	Fund- Raising	Program Services	Management and General	Total
Salaries	\$ 17,357	\$ 34,716	\$ 34,716	\$ 86,789	\$ 16,176	\$ 32,354	\$ 32,354	\$ 80,884
Payroll taxes	1,292	2,586	2,586	6,464	1,239	2,480	2,480	6,199
Employee benefits	517	1,036	1,036	2,589	569	1,138	1,138	2,845
<b>Total salaries and related benefits</b>	<b>19,166</b>	<b>38,338</b>	<b>38,338</b>	<b>95,842</b>	<b>17,984</b>	<b>35,972</b>	<b>35,972</b>	<b>89,928</b>
Professional fees	1,955	3,910	3,910	9,775	1,900	3,800	3,800	9,500
Office supplies	630	1,259	1,259	3,148	565	1,130	1,130	2,825
Telephone	322	643	643	1,608	321	643	643	1,607
Postage and shipping	407	815	815	2,037	314	628	628	1,570
Rent	1,920	3,840	3,840	9,600	1,920	3,840	3,840	9,600
Newsletter expense	1,272	2,546	2,546	6,364	621	1,244	1,244	3,109
Youth allocation expense	136	274	274	684	119	237	237	593
Data processing	0	0	0	0	178	356	356	890
Printing	317	632	632	1,581	677	1,353	1,353	3,383
Advertising	369	740	740	1,849	26	50	50	126
Publications and subscriptions	25	50	50	125	23	46	46	115
Travel expense	56	114	114	284	15	32	32	79
Insurance	432	863	863	2,158	435	872	872	2,179
Awards	91	181	181	453	589	1,176	1,176	2,941
Miscellaneous	1,366	2,732	2,732	6,830	( 300)	( 602)	( 602)	( 1,504)
Repairs and maintenance	716	1,432	1,432	3,580	313	627	627	1,567
Depreciation	743	1,485	1,485	3,713	598	1,196	1,196	2,990
<b>Total</b>	<b>\$ 29,923</b>	<b>\$ 59,854</b>	<b>\$ 59,854</b>	<b>\$ 149,631</b>	<b>\$ 26,298</b>	<b>\$ 52,600</b>	<b>\$ 52,600</b>	<b>\$ 131,498</b>

The accompanying notes are an integral part of these financial statements.

**UNITED WAY OF LOGAN COUNTY, OHIO, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:-</b>		
Change in net assets	\$ 31,236	\$ 74,028
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation	3,713	2,990
Unrealized loss (gain) on investments	15,634	( 51,907)
Increase in pledges receivable	( 36,826)	( 16,884)
(Increase) decrease in prepaid expenses	( 31)	1,605
(Decrease) increase in allocations payable - agencies	( 9,417)	31,161
Increase in out of county donations payable	7,159	4,217
Increase in accrued payroll liabilities	3,680	2,093
Net cash provided by operating activities	15,148	47,303
<b>CASH FLOWS FROM INVESTING ACTIVITIES:-</b>		
Purchase of property and equipment	( 2,169)	( 4,485)
Purchase of certificates of deposit	150,470	115,228
Sale of certificates of deposit	( 131,000)	( 115,550)
Net cash provided (used) by investing activities	17,301	( 4,807)
Net increase in cash and cash equivalents	32,449	42,496
Cash and cash equivalents - beginning of year	476,030	433,534
<b>Cash and cash equivalents - end of year</b>	<b>\$ 508,479</b>	<b>\$ 476,030</b>

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:-**

Cash paid for:

Interest	\$ 0	\$ 0
Income taxes	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements.

**UNITED WAY OF LOGAN COUNTY, OHIO, INC.**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization** - United Way of Logan County, Ohio, Inc. (the Organization) is a non-profit charitable corporation governed by a volunteer board of Trustees, with the purpose of meeting the human service needs of the Logan County area through the coordination of social services, problem solving, and financial support. The Organization is supported primarily through donor contributions.

**Basis of Presentation** - The Organization has adopted the Accounting Standards Codification (ASC) No. 958-205-45 and ASU 2016-02, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958-205-45 and ASU 2016-02, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restriction and without donor restriction. In addition, the Organization is required to present a statement of cash flows.

Net Assets Without Donor Restrictions - net assets without donor restrictions are available for us at the discretion of the Board of Directors and / or management for general operating purposes.

Net Assets With Donor Restrictions - net assets with donor restrictions consist of assets whose use is limited by donor imposed, time and / or purpose restrictions.

**Contributions** - The Organization recognizes contributions received and contributions made in accordance with ASC No. 958-605-25, Accounting for Contributions Received and Contributions Made. Under ASC No. 958-605-25, a contribution received by the Organization is recognized when the donor makes an unconditional promise to give to the Organization. Conditional promises to give are not recognized by the Organization as contributions received until the conditions have been met. Contributions received are recorded as with or without donor restriction support depending on the existence and nature of any donor imposed restrictions. Contributions received with donor imposed restrictions that are met in the same reporting period are reported as unrestricted contributions.

**Designated Contributions** - The Organization recognizes donor designated contributions in accordance with ASC No. 958-605-25-24, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others. When a donor specifically designates a participating agency to receive his or her campaign contribution, the Organization excludes the designated pledge from campaign revenue. The Organization is considered an agent for the designated beneficiary and, as such, records cash or a receivable from the donor and a liability to the designated beneficiary.

**Pledges Receivables** - Pledges are promises to give from various donors that are considered unconditional promises to give. Pledges receivable primarily consist of pledges made during annual giving campaign appeals and are presented net of the allowance for doubtful accounts. Pledges receivable are considered past due when the pledge payment period has passed.

**Allowance for Doubtful Accounts** - The United Way uses the allowance method to estimate uncollectible receivables. The allowances are based on prior experience and management analysis of specific receivables and promises to give. Once the likelihood of collecting the receivable is determined to be remote, management writes off the specific account balance and relieves any related allowance. If collections are made in excess of this allowance, the funds are available to be allocated to the member agencies during the next campaign.

**Cash and Cash Equivalents** - For purposes of the statement of cash flows, cash and cash equivalents include cash on hand and on deposit and all highly liquid instruments, such as certificates of deposit, purchased with maturity of three months or less. The accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Therefore, from time to time, the Organization may have accounts in excess of insured limits.

**Property and Equipment** - Additions and improvements to property and equipment over \$500 and with a useful life of more than two years are recorded at cost when purchased and at fair value when donated to the Organization. Depreciation is computed using the straight-line method over their estimated useful lives, which is a range of 3 to 7 years for office equipment.



**UNITED WAY OF LOGAN COUNTY, OHIO, INC.**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

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**Federal Income Taxes** - The Organization has been determined, by the Internal Revenue Service, as exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and, as a result, a provision for taxes is not required. The Organization records interest and penalties, if any, in interest expense and other expense, respectively, in operating expenses. During the years ended December 31, 2018 and 2017, the Organization did not have any interest or penalties related to taxes. Management believes there are no uncertain tax positions taken as of December 31, 2018 or 2017.

**Use of Estimates** - The financial statements of the Organization are presented in conformity with accounting principles generally accepted in the United States of America. This presentation requires the use of estimates and assumptions made by management that affect certain amounts and assumptions. Accordingly, actual results could differ from those estimates.

**Donated Services** - In-kind contributions of materials and property equipment are recorded as contributions at the estimated fair value on the date of receipt. Contributions of services that enhance the non-financial assets or require specialized skills, and are provided by individuals possessing those skills, are recorded as contributions at the estimated fair value of the service received. United Way makes extensive use of volunteers in conducting its campaign and various program activities. Such services are not reflected in the financial statement, as those services do not meet this definition.

**Liquidity Management** - The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of monthly requirements in short-term investments.

**Functional Allocation** - The costs of providing the program and various management and general activities have been summarized on a functional basis in the statement of functional expenses. Certain categories or expenses are attributed to Fundraising, Program Services and Management and General expenses. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are allocated on the basis of estimated time and effort. Accordingly, certain estimates have been made to allocate costs among the program and supporting activities.

**Advertising** - The Organization expenses advertising costs as they are incurred. Advertising expense totaled \$1,849 and \$126 for the years ended December 31, 2018 and 2017, respectively.

**Recent Accounting Pronouncements** - In February 2016, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which amends existing accounting standards for lease accounting, including by requiring lessees to recognize most leases on the balance sheet and making certain changes to lessor accounting. The new standard is effective for non-public entities for fiscal years beginning after December 15, 2019 and for interim periods therein with early adoption permitted. The Organization is currently evaluating the impact on the financial statements.

In June 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which creates a single source of revenue guidance. The new standard provides accounting guidance for all revenue arising from contracts with customers and affects all entities that enter into contracts to provide goods and services to their customers (unless the contracts are in scope of other U.S. GAAP requirements, such as the leasing literature). The guidance also provides a model for the measurement and recognition of gains and losses on the sale of certain nonfinancial assets, such as property and equipment, including real estate. The new standard is effective for non-public entities for the fiscal years beginning after December 15, 2018 and for interim periods therein. Early adoption is permitted for non-public entities beginning after December 15, 2017. The Organization is currently evaluating the impact on the financial statements.

**UNITED WAY OF LOGAN COUNTY, OHIO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

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***Accounting Pronouncements Adopted*** - In August 2016, the Financial Accounting Standards Board (the “FASB”) issued an update to Not-For-Profit accounting to help charities, foundations, universities, and other Not-For-Profit Groups (Organization) better tell their “Financial Story”. The Accounting Standards Update (ASU) No. 2016-14, Not-For-Profit Entities, deals largely with financial statement presentation issues – how organizations convey how they spend and invest their resources. The standard requires an organization to classify their assets into two categories – those with donor restrictions and those without. The update also aims to enhance information about an organization’s expenses through new expense analysis that shows expenses broken down by nature and function. Further, the update will require organizations to provide information that shows how they manage their access to cash over twelve months and retain liquidity. The update goes into effect for financial statements issued for fiscal years beginning after December 15, 2017. The Organization has adopted ASU 2016-14 as of January 1, 2018.

**NOTE 2 - CERTIFICATES OF DEPOSIT**

During the year, the Organization held certificates of deposit with annual interest rates between 0.10% and 0.35%. These certificates of deposit are scheduled to mature between May 2019 and May 2020.

**NOTE 3 - FAIR VALUE MEASUREMENT**

ASC 820, *Fair Value Measurement*, establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the techniques and inputs used for each major class of assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017.

*Mutual Funds:* Mutual funds are valued based on quoted market prices (Level 1).

These methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**UNITED WAY OF LOGAN COUNTY, OHIO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

The following table sets forth the Organization's investment assets at fair value as of December 31, 2018 and 2017, by level, within the fair value hierarchy:

Assets at fair value as of December 31, 2018				
	Level 1	Level 2	Level 3	Total
American Cap Fund	\$ 50,804	\$ 0	\$ 0	\$ 50,804
Washington Mutual Investor Fund	48,434	0	0	48,434
Fundamental Investors Fund	74,566	0	0	74,566
Capital World Growth Fund	58,456	0	0	58,456
American Balance Fund	44,684	0	0	44,684
<b>Total investments</b>	<b>\$ 276,944</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 276,944</b>

Assets at fair value as of December 31, 2017				
	Level 1	Level 2	Level 3	Total
American Cap Fund	\$ 51,790	\$ 0	\$ 0	\$ 51,790
Washington Mutual Investor Fund	45,926	0	0	45,926
Fundamental Investors Fund	65,134	0	0	65,134
Capital World Growth Fund	79,838	0	0	79,838
American Balance Fund	49,890	0	0	49,890
<b>Total investments</b>	<b>\$ 292,578</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 292,578</b>

The investments are held in the Organization's name, by the Organization's agent, which is a major financial institution. The investments provide return of principal, interest, and dividends, which are currently reinvested. The investments are reported at fair market value in the statements of financial position.

**NOTE 4 - PLEDGES RECEIVABLE**

Pledges receivable represent amounts due from donors for multiyear unconditional pledges. Pledges receivable at December 31, 2018 and 2017 consist of the following:

	2018	2017
<b>Total Pledges</b>		
Gross pledges receivable	\$ 780,479	\$ 729,883
Less: Allowance for uncollectible pledges receivable	( 104,879)	( 89,211)
Unamortized discount	0	( 1,898)
Total	\$ 675,600	\$ 638,774
Amounts due in:		
Less than one year	\$ 659,496	\$ 606,855
One to five years	16,104	31,919
Total	\$ 675,600	\$ 638,774

**UNITED WAY OF LOGAN COUNTY, OHIO, INC.**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

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**NOTE 5 - NET ASSETS WITH DONOR RESTRICTION**

Net assets with donor restrictions are restricted for the following purposes or period as of December 31, 2018 and 2017, as follows:

	<u>2018</u>	<u>2019</u>
Subject to expenditure for specified purpose or period:		
Pledges	\$ 675,600	\$ 743,975
Other	<u>22,798</u>	<u>22,749</u>
 Total net assets with donor restriction:	 <u>\$ 698,398</u>	 <u>\$ 766,724</u>

**NOTE 6 - OPERATING LEASE**

In June 2012, the Organization entered into a one-year lease for office space. Under the terms of this lease, the Organization is required to make monthly lease payments of \$800 over the life of the lease. This lease also included the option for three one year extensions under the same terms. In May 2017, a new one-year lease was signed for the same terms, with an option for two one year extensions available. Lease expense for this lease was \$9,600 for the years ending December 31, 2018 and 2017.

**NOTE 7 - SUBSEQUENT EVENTS**

The Organization evaluated subsequent events through June 25, 2019, the date which the financial statements were available to be issued.