

**Shelby County United Way**

Financial Statements  
June 30, 2019 and 2018

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## INDEPENDENT AUDITOR'S REPORT

To Management  
Shelby County United Way

We have audited the accompanying financial statements of Shelby County United Way, Inc. which comprise the statements of financial position as of June 30, 2019 and 2018 and the related statements of activities, functional expenses, and cash flows for the years 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 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 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 Shelby County United Way, Inc. as of June 30, 2019 and 2018 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.

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Allocation Schedules on page 18 are presented for purposes of additional analysis and are 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 aspects in relation to the basic financial statements taken as a whole.

*McCrate, DeLaet & Co.*

Sidney, Ohio

October 15, 2019

**Shelby County United Way**  
**Statements of Financial Position**  
June 30, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Current Assets:		
Cash	\$ 586,968	\$ 582,860
Certificates of deposit	495,101	487,542
Marketable securities	733,961	692,646
Assets held by others	32,397	31,315
Pledges receivable	542,240	527,428
Total Current Assets	2,390,668	2,321,791
Property and equipment:		
Property and equipment	18,365	63,036
Less - accumulated depreciation	(18,293)	(60,434)
Net Property and Equipment	72	2,602
<b>Total Assets</b>	<b>\$ 2,390,740</b>	<b>\$ 2,324,393</b>
 <b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable	\$ 1,500	\$ -
Accrued expenses	5,087	2,039
Allocations payable	953,600	965,180
Current Portion of Long-Term Debt	-	1,572
Deferred campaign revenue	-	(100)
Donor designations payable to other United Ways	93,600	85,926
Total Current Liabilities	1,053,786	1,054,617
Long-Term Liability	-	-
Total Liabilities	1,053,786	1,054,617
Net Assets Without Restrictions:		
General operating	577,201	429,993
Board designated	446,588	447,437
Total Unrestricted Net Assets	1,023,789	877,430
Net Assets With Restrictions	313,165	392,346
Total Net Assets	1,336,954	1,269,776
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,390,740</b>	<b>\$ 2,324,393</b>

**Shelby County United Way**  
 Statements of Activities  
 For the Year Ended June 30, 2019

	<b>Without Restrictions</b>			<b>With</b>	
	<b>General</b>	<b>Designated</b>	<b>Total</b>	<b>Restrictions</b>	<b>Total</b>
Revenues and Other Support:					
Annual campaign results, net of bad debts	\$ -	\$ -	\$ -	\$ 1,457,985	\$ 1,457,985
Less: Other United Way donor designations	-	-	-	(150,585)	(150,585)
Less: Direct agency donor designations	-	-	-	(142,424)	(142,424)
Net Contributions	-	-	-	1,164,975	1,164,975
Investment income	61,981	-	61,981	-	61,981
Administrative fees retained on amounts designated by donors to other United Ways	16,518	-	16,518	-	16,518
Miscellaneous income	15,902	-	15,902	-	15,902
Gain/Loss on sales of fixed assets	(2,097)	-	(2,097)	-	(2,097)
Net assets released from restriction: Expiration of time restrictions on annual campaign	1,244,156	-	1,244,156	(1,244,156)	-
Total Revenues and Other Support	1,336,459	-	1,336,459	(79,181)	1,257,279
Expenses:					
Program services	998,953	-	998,953	-	998,953
Campaign	96,825	-	96,825	-	96,825
General and administrative	94,323	-	94,323	-	94,323
Total Expenses	1,190,100	-	1,190,100	-	1,190,100
Change in Net Assets	146,359	-	146,359	(79,181)	67,178
Transfer of Net Assets	850	(850)	-	-	-
Net Assets, Beginning of Year	429,993	447,437	877,430	392,346	1,269,776
<b>Net Assets, End of the year</b>	<b>\$ 577,201</b>	<b>\$ 446,588</b>	<b>\$ 1,023,789</b>	<b>\$ 313,165</b>	<b>\$ 1,336,954</b>

**Shelby County United Way**  
 Statements of Activities  
 For the Year Ended June 30, 2018

	<u>Without Restrictions</u>			<u>With</u>	
	<u>General</u>	<u>Designated</u>	<u>Total</u>	<u>Restrictions</u>	<u>Total</u>
Revenues and Other Support:					
Annual campaign results, net of bad debts	\$ -	\$ -	\$ -	\$ 1,523,915	\$ 1,523,915
Less: Other United Way donor designations	-	-	-	(134,122)	(134,122)
Less: Direct agency donor designations	-	-	-	(189,780)	(189,780)
Net Contributions	-	-	-	1,200,013	1,200,013
Investment income	65,880	-	65,880	-	65,880
Administrative fees retained on amounts designated by donors to other United Ways	15,163	-	15,163	-	15,163
Miscellaneous income	9,900	-	9,900	-	9,900
Net assets released from restriction: Expiration of time restrictions on annual campaign	1,031,521	-	1,031,521	(1,031,521)	-
Total Revenues and Other Support	1,122,464	-	1,122,464	168,492	1,290,956
Expenses:			-		-
Program services	904,031		904,031	-	904,031
Campaign	88,455		88,455	-	88,455
General and administrative	95,364		95,364	-	95,364
Total Expenses	1,087,850	-	1,087,850	-	1,087,850
Change in Net Assets	34,614	-	34,614	168,492	203,106
Transfer of Net Assets	3,232	(3,232)	-	-	-
Net Assets, Beginning of Year	392,147	450,669	842,816	223,854	1,066,670
<b>Net Assets, End of the year</b>	<b>\$ 429,993</b>	<b>\$ 447,437</b>	<b>\$ 877,430</b>	<b>\$ 392,346</b>	<b>\$ 1,269,776</b>

**Shelby County United Way**  
Statement of Functional Expenses  
For the Year Ended June 30, 2019

	Program Services	Campaign	General and Administrative	Total
Allocations	\$ 932,781	\$ -	\$ -	\$ 932,781
Compensation	33,597	47,811	47,811	129,219
Employment taxes and benefits	5,067	7,210	7,210	19,487
Supplies and printing	2,040	3,217	2,589	7,846
Fair share fees	14,319	-	-	14,319
Professional fees	951	-	18,060	19,011
Repair and maintenance	1,399	5,594	6,993	13,986
Utilities	1,097	1,561	1,562	4,220
Telephone	802	1,142	1,141	3,085
Insurance	801	1,140	1,141	3,082
Depreciation	144	144	144	432
Campaign expense	-	26,453	-	26,453
Rent	1,794	2,553	2,553	6,900
Other operating expenses	4,160	-	5,118	9,278
<b>Total Expenses</b>	<b>\$ 998,953</b>	<b>\$ 96,825</b>	<b>\$ 94,323</b>	<b>\$ 1,190,100</b>

**Shelby County United Way**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2018**

	<u>Program Services</u>	<u>Campaign</u>	<u>General and Administrative</u>	<u>Total</u>
Allocations	\$ 840,218	\$ -	\$ -	\$ 840,218
Compensation	31,067	44,211	44,212	119,490
Employment taxes and benefits	5,135	7,308	7,308	19,751
Supplies and printing	1,318	2,079	1,673	5,070
Fair share fees	13,387	-	-	13,387
Professional fees	1,001	-	19,023	20,024
Repair and maintenance	2,874	11,494	14,368	28,736
Utilities	1,118	1,591	1,592	4,301
Telephone	772	1,098	1,098	2,968
Insurance	731	1,041	1,041	2,813
Depreciation	488	488	488	1,464
Campaign expense	-	16,638	-	16,638
Rent	1,762	2,507	2,506	6,775
Other operating expenses	4,160	-	2,055	6,215
<b>Total Expenses</b>	<u>\$ 904,031</u>	<u>\$ 88,455</u>	<u>\$ 95,364</u>	<u>\$ 1,087,850</u>

**Shelby County United Way**  
 Statements of Cash Flows  
 For the Years Ended June 30, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>Cash Flows from Operating Activities:</b>		
Cash received from donors	\$ 1,443,172	\$ 1,434,567
Interest and dividends received	24,221	16,635
Other revenue	25,947	25,063
Allocations and grants paid	(938,361)	(853,889)
Donor designations	(285,336)	(332,783)
Cash paid to employees and suppliers	(251,867)	(249,537)
Net cash provided (used) by operating activities	17,777	40,056
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sales of securities	97,027	85,762
Purchases of investments	(109,123)	(109,741)
Net cash provided (used) by investing activities	(12,096)	(23,979)
<b>Cash Flows from Financing Activities:</b>		
Repayment of long term debt	(1,572)	(1,572)
Net cash provided (used) by financing activities	(1,572)	(1,572)
Net Increase (Decrease) in Cash	4,108	14,505
Cash at Beginning of Year	582,860	568,354
<b>Cash at End of Year</b>	<b>\$ 586,968</b>	<b>\$ 582,860</b>
<b>Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:</b>		
Change in Net Assets	\$ 67,178	\$ 203,106
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	432	1,464
Realized (gain) loss on marketable securities	(15,840)	(20,179)
Unrealized (gain) loss on marketable securities	(21,920)	(29,066)
Gain (loss) on sale of assets	2,097	-
(Increase) decrease in net pledges receivable	(14,812)	(89,348)
Increase (decrease) in accounts payable	1,501	-
Increase (decrease) in accrued and withheld taxes	3,047	(2,720)
Increase (decrease) in allocations payable	(11,580)	(14,320)
Increase (decrease) in donor designations	7,674	(8,881)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 17,777</b>	<b>\$ 40,056</b>

**Shelby County United Way**  
Notes to Financial Statements

**Note 1 - Nature of Activities:**

Shelby County United Way, Inc. (the Organization) conducts an annual fund raising campaign to provide funds to human service organizations in the Shelby County area. Shelby County United Way, Inc.'s mission statement is: To continually identify, evaluate, and make possible the human services needed in our community by:

Playing a leadership role in raising and distributing funds;  
Encouraging collaboration to resolve community problems;  
Fostering personal involvement in volunteerism; and  
Promoting self-sufficiency with an emphasis on pro-active services.

**Note 2 - Significant Accounting Policies:**

Basis of Accounting

The financial statements of Shelby County United Way, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

The Organization's unspent contributions are reported in net assets with donor contributions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

## **Note 2 - (Continued)**

### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of less than three months to be cash equivalents.

### Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

### Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily accelerated methods over the estimated useful life of the asset. Additions and betterments of \$1,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

### Allocations Payable

Allocations payable are reported at net realizable value if, at the time the promise is made, the Organization expects to make payment in one year or less. Unconditional promises that the Organization expects to pay in more than one year are reported at fair value initially and in subsequent periods because the Organization elected the fair value option in accordance with generally accepted accounting principles. Management believes that the use of fair value reduces the cost of measuring unconditional promises to give in periods subsequent to their payment and provides equal or better information to users of its financial statements than if those promises were measured using present value techniques and historical discount rates.

### Contributions

In accordance with generally accepted accounting principles, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

The Organization reports gifts of cash and other assets as 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 a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

The Organization reports gifts of equipment as unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

## **Note 2 - (Continued)**

### Donated Services

Donated services are recognized as contributions in accordance with generally accepted accounting principles (GAAP), if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Shelby County United Way, Inc. Many individuals also volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments that are not recognized as contributions in the financial statements since the recognition criteria under generally accepted accounting principles were not met.

### Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

### Defined Contribution Plan

The Organization has a defined contribution plan under Section 403(b) of the Internal Revenue code covering all full time employees with at least 90 days of service. Employees may elect to defer a portion of their compensation within certain limits. The employer's contribution is at the discretion of management. Retirement plan expense for the years ended June 30, 2019 and 2018 was \$8,309 and \$8,380, respectively.

### Income Tax Status

The Shelby County United Way, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Shelby County United Way, Inc. qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization is no longer subject to examination by the Internal Revenue Service for years before June 30, 2015.

### Fair Value of Financial Instruments

The following methods and assumptions were used by the Organization to estimate its fair value disclosure for financial statements:

Cash, cash equivalents, and promises to give due in less than 90 days: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Marketable Securities: The fair values of marketable securities are based on quoted market prices for those or similar investments.

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

**Note 2 - (Continued)**Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

Management has evaluated subsequent events through the Report date, the date the financial statements were available to be issued.

**Note 3 - Pledges Receivable:**

The Organization holds an annual fund-raising campaign that typically starts in early September and ends by late November. The pledges received during the campaign are recognized as support when received. The outstanding pledges receivable at June 30, 2019 and 2018 are as follows:

	2019	2018
2018-2019 campaign	\$ 580,240	\$ -
2017-2018 campaign	-	569,428
	<u>580,240</u>	<u>569,428</u>
Allowance for pledge losses	(38,000)	(42,000)
Pledges Receivable	<u>\$ 542,240</u>	<u>\$ 527,428</u>

**Note 4 - Marketable Securities:**

Marketable securities are stated at fair value. Fair values and unrealized appreciation at June 30, 2019 and 2018 are summarized as follows:

	June 30, 2019		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Corporate obligations	\$ 130,966	\$ 132,711	\$ 1,745
Equities	107,503	141,124	33,621
Equity mutual funds	342,249	460,126	117,877
<b>Total Marketable Securities</b>	<b>\$ 580,718</b>	<b>\$ 733,961</b>	<b>\$ 153,243</b>

  

	June 30, 2018		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Corporate obligations	\$ 110,504	\$ 108,143	\$ (2,361)
Bond mutual funds	27,859	26,566	(1,293)
Equities	118,966	139,747	20,781
Equity mutual funds	303,725	418,190	114,465
<b>Total Marketable Securities</b>	<b>\$ 561,054</b>	<b>\$ 692,646</b>	<b>\$ 131,592</b>

**Note 4 - (Continued)**

The following schedule summarizes the investment return and its classification in the statement of activities for the periods ended:

	June 30, 2019		
	Without Restrictions	With Restrictions	Total
Interest income from bank savings and certificates of deposit	\$ 11,822	\$ -	\$ 11,822
Interest and dividend income	12,399	-	12,399
Net realized and unrealized gains	37,760	-	37,760
<b>Total Investment Income</b>	<b>\$ 61,981</b>	<b>\$ -</b>	<b>\$ 61,981</b>

  

	June 30, 2018		
	Without Restrictions	With Restrictions	Total
Interest income from bank savings and certificates of deposit	\$ 6,157	\$ -	\$ 6,157
Interest and dividend income	10,478	-	10,478
Net realized and unrealized gains	49,245	-	49,245
<b>Total Investment Income</b>	<b>\$ 65,880</b>	<b>\$ -</b>	<b>\$ 65,880</b>

**Note 5 - Fair Value Measurements:**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in an active market. This level includes common stocks, corporate bonds and mutual funds based on the closing price reported in the active market where the securities are traded.

**Level 2** - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation, or other means.

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**Note 5 - (Continued)**

Fair values of assets measured on a recurring basis at June 30, 2019 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets held by others	\$ 32,397	\$ -	\$ -	\$ 32,397
Marketable Securities	733,961	733,961	-	-
Total	<u>\$ 766,358</u>	<u>\$ 733,961</u>	<u>\$ -</u>	<u>\$ 32,397</u>

Fair values of assets measured on a recurring basis at June 30, 2018 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets held by others	\$ 31,315	\$ -	\$ -	\$ 31,315
Marketable Securities	692,646	692,646	-	-
Total	<u>\$ 723,961</u>	<u>\$ 692,646</u>	<u>\$ -</u>	<u>\$ 31,315</u>

**Note 6 - Leases:**

The Organization entered into a lease agreement for office space located at 232 South Ohio Street, in Sidney, Ohio. The five year lease agreement, commencing January 1, 2015, has a current monthly obligation of \$550.

The Organization entered into a capital lease agreement for a Konica Minolta Copier in April 2014. The 60 month lease agreement, has an outright purchase price of \$7,796 and current monthly obligation of \$187. There is a fair market value buyout option at the end of the lease.

**Note 7 - Campaign Revenue:**

Shelby County United Way, Inc. collects campaign contributions from the geographic area of Shelby County. A portion of these contributions are designated by donors to other United Way organizations. Additionally, a separate Women's Initiative Campaign (POWER), provides assistance to children and their families in Shelby County. The gross and net campaign revenues are as follows:

	2019	2018
Pledges 2018/2019 Campaign	\$ 1,388,370	\$ -
Less: Reported in prior years	(18,750)	-
Other United Way donor designations	(150,585)	-
Direct agency donor designation	(142,424)	-
Uncollectible pledges	(35,054)	-
Subtotal	<u>1,041,557</u>	<u>-</u>
Pledges 2017/2018 Campaign	14,379	1,421,695
Pledges 2019/2020 Campaign	21,276	-
Less: Reported in prior years	-	-
Other United Way donor designations	-	(134,122)
Direct agency donor designation	-	(189,780)
Uncollectible pledges	-	(22,568)
Subtotal	<u>35,655</u>	<u>1,075,225</u>
Other Contributions	58,887	69,672
Pledges from previous campaigns	-	53,620
Women's Initiative Campaign (POWER)	28,876	1,496
Annual Campaign Revenue	<u>\$ 1,164,975</u>	<u>\$ 1,200,013</u>

**Note 8 - Net Assets with Restrictions:**

Net assets with restrictions consist of pledges received. The annual fundraising campaign is conducted in the year prior to the receipt of the funds and, therefore, the passage of time removes the temporary restriction. The net assets with restrictions consisted of:

	2019	2018
Annual Campaign	\$ 1,388,370	\$ 1,421,695
Less: Allocations	(1,075,205)	(1,029,349)
Net Assets with Restrictions	<u>\$ 313,165</u>	<u>\$ 392,346</u>

**Note 9 - In-Kind Contributions:**

The Organization received in-kind contributions of \$6,473 and \$6,778 for the years ended June 30, 2019 and 2018, respectively. The donations were received from various vendors for items and services such as storage, campaign shirts, advertising, video creation, designing and printing pledge cards, and office supplies.

Contributed services totaling \$6,000 and \$5,004 for the years ended June 30, 2019 and 2018 respectively, included printing, pledge card designing, and advertising.

**Note 10 - Related Party Transactions:**

Shelby County United Way has paid fair share fees to the United Way Worldwide. The fair share fees for the years ended June 30, 2019 and 2018 were \$13,657 and \$13,387, respectively.

**Note 11 - Board Designated Net Assets:**

The Board of the Shelby County United Way has designated certain net assets as reserves of the organization. Reserves are available for general activities, endowments, and as an emergency fund.

At June 30, 2019 and 2018, board designated reserves amounted to:

	<u>2019</u>	<u>2018</u>
Appropriated Reserves at 25% of next year budgeted expenses, including allocations	\$ 330,888	\$ 329,207
Operating Reserves	<u>115,700</u>	<u>118,230</u>
Total Board Designated Reserves	<u>\$ 446,588</u>	<u>\$ 447,437</u>

**Note 12 - Allocation of Joint Costs:**

The brochure used by the Shelby County United Way, Inc. is a referral source as well as a campaign pledge card. The Organization also receives free advertising from the local radio station. For the years ended June 30, 2019 and 2018, the cost of redesigning and printing the brochure/advertising amounted to \$6,474 and \$6,778 of joint costs, respectively. These services were in-kind gifts and were allocated as follows:

	<u>2019</u>	<u>2018</u>
Fundraising	\$ 5,153	\$ 4,236
Programming	<u>1,322</u>	<u>2,542</u>
Total Joint Costs	<u>\$ 6,474</u>	<u>\$ 6,778</u>

**Note 13 - Concentration of Credit Risk:**

Shelby County United Way, Inc. conducts an annual fund-raising campaign in Shelby County, Ohio. This campaign provides virtually all of the support of the Organization. Approximately 50% of the campaign revenues come from five corporate contributors and their employees.

Shelby County United Way, Inc. maintains cash balances at several financial institutions in Sidney, Ohio. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to a certain limit. From time to time, deposits at any one institution may exceed this limit.

**Note 14 - Change in Accounting Principle:**

On August 18, 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958)—Presentation of Financial Statements of Not-for-Profit Entities*. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the Organization's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed *net assets without donor restrictions*.
- The format of the statement of cash flows has changed to the direct method of reporting cash flows from operations.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 15).

The changes have the following effect on net assets at June 30, 2018 :

Net Asset Class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets	\$ 877,430	\$ -
Temporarily restricted net assets	392,346	-
Permanently restricted net assets	-	-
Net assets without donor restrictions	-	877,430
Net assets with donor restrictions	-	392,346
Total net assets	<u>\$ 1,269,776</u>	<u>\$ 1,269,776</u>

**Note 15 - Liquidity:**

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2019	2018
Financial assets at year-end		
Cash	\$ 586,968	\$ 582,860
Certificates of deposits	495,101	487,542
Marketable Securities	733,961	692,646
Financial Assets available to meet cash needs for general expenditures within one year	<u>\$ 1,816,031</u>	<u>\$ 1,763,048</u>

**Shelby County United Way**  
Allocation Schedules  
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Investing in Youth &amp; Children:</b>		
Midwest Regional ESC Alt School	\$ 18,000	\$ 18,000
Big Brothers Big Sisters	55,000	55,000
Miami Valley Council Boy Scouts	30,000	30,000
Sidney Alternative School	-	25,000
Clear Creek Farms	40,000	30,000
Total Investing in Youth & Children	<u>143,000</u>	<u>158,000</u>
<b>Enriching the Lives of Seniors:</b>		
Adult Day Care Center	25,000	25,000
Senior Center Sidney/Shelby Co	53,000	53,000
Sr Health Service - Catholic SS	40,000	34,000
Catholic Social Services - Mental Health	30,000	30,000
Total Enriching the Lives of Seniors	<u>148,000</u>	<u>142,000</u>
<b>Strengthening Families &amp; Individuals:</b>		
CASA/GAL	15,000	10,000
Salvation Army Bridging the Gap	7,500	7,500
Wilma Valentine Creative Learning Center	85,500	85,500
Sidney/Shelby Co YMCA Childcare	93,000	93,000
Alpha Community Center	47,500	47,500
Total Strengthening Families & Individuals	<u>248,500</u>	<u>243,500</u>
<b>Caring for People in Crisis:</b>		
American Red Cross	8,100	11,000
New Choices	55,000	50,000
Emergency Housing & Utilities	18,000	18,000
Agency Allocations:Samaritan Works	65,000	55,000
Agency Allocations:Victim Services	20,000	20,000
Sheriff Star House	30,000	10,000
Total Caring for People in Crisis	<u>196,100</u>	<u>164,000</u>
<b>Promoting Health &amp; Well Being:</b>		
Rehab Center	27,000	27,000
Shelby County ARC	31,000	31,000
Compassionate Care	75,000	75,000
Safe Haven	18,000	18,000
Agape	40,000	-
Total Promoting Health & Well Being	<u>191,000</u>	<u>151,000</u>

**Shelby County United Way**  
Allocation Schedules  
For the Years Ended June 30, 2019 and 2018

Community Impact		
Imagination Library	21,000	18,878
Salvation Army Afterschool	-	45,000
I.M.P.A.C.T. Program	-	55,000
Total Community Impact	<u>21,000</u>	<u>118,878</u>
Other Allocations:		
Special Projects	99,091	31,848
211 Programming	6,000	6,000
Student United Way	10,593	5,690
Christmas Dinner	5,386	5,064
Kids Around The Square	536	305
Salvation Army Food Pantry	-	3,064
POWER	6,000	649
Total Other Allocations	<u>127,605</u>	<u>52,620</u>
Gross Agency Allocations	<u>1,075,205</u>	<u>1,029,998</u>
Less: Direct Agency Donor Designations	<u>142,424</u>	<u>189,780</u>
<b>NET AGENCY ALLOCATIONS</b>	<u><u>\$ 932,781</u></u>	<u><u>\$ 840,218</u></u>