



Darrell L. Keller, CPA, PA

UNITED WAY OF LINCOLN COUNTY, INC.

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019 and 2018

(704) 739-0771

UNITED WAY OF LINCOLN COUNTY, INC.
TABLE OF CONTENTS
YEAR ENDED MARCH 31, 2019

<u>FINANCIAL STATEMENTS</u>	<u>PAGE</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-15
Supplementary Statement:	
Schedule of Allocations Distributed to Agencies	16

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Lincoln County, Inc.
Lincolnton, North Carolina

We have audited the accompanying financial statements of United Way of Lincoln County, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2019, 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 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 Lincoln County, Inc. as of March 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

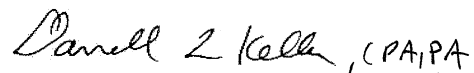
As discussed in Note 11 to the financial statements, the Organization adopted FASB Accounting Standard Update 2016-14, *Not-For-Profit Entities – Presentation of Financial Statements of Not-For-Profit Entities* effective January 1, 2017. Accordingly, the Organization's net assets are now shown as net assets with donor restrictions and net assets without donor restrictions rather than unrestricted, temporarily restricted, and/or permanently restricted. This standard has been applied retroactively to the March 31, 2018 summarized information.

Report on Summarized Comparative Information

We have previously audited the United Way of Lincoln County, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of allocations distributed to agencies on page 14 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.



Darrell L. Keller, CPA, PA
Kings Mountain, North Carolina

June 19, 2019

UNITED WAY OF LINCOLN COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2019 WITH COMPARATIVE TOTALS FOR 2018

	Without Donor Restriction	With Donor Restriction	Total 2019	Prior 2018
ASSETS				
Cash and cash equivalents	\$ 219,663	\$ 7,815	\$ 227,478	\$ 242,162
Unconditional Promises To Give-				
Net of Allowance for Uncollectible Promises	-	257,184	257,184	223,885
Refunds receivable	327	-	327	776
Prepaid expenses	1,452	-	1,452	917
Fixed Assets-net of depreciation	411	-	411	1,012
	\$ 221,853	\$ 264,999	\$ 486,852	\$ 468,752
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 4,459	\$ 12,230	\$ 16,689	\$ 14,352
Payroll taxes withheld	1,448	-	1,448	1,369
Unearned Revenue-Special Event	-	-	-	-
Total liabilities	5,907	12,230	18,137	15,721
Net assets:				
Without Donor Restrictions				
Fixed Assets	411	-	411	1,012
Board Designated for Reserves	67,999	-	67,999	67,829
Undesignated	147,536	-	147,536	161,769
With Donor Restrictions				
Events and Special Projects	-	7,815	7,815	9,310
Campaign Receivables	-	244,954	244,954	213,111
Total net assets	215,946	252,769	468,715	453,031
Total liabilities and net assets	\$ 221,853	\$ 264,999	\$ 486,852	\$ 468,752

The Accompanying Notes are an Integral Part of these Financial Statements.

UNITED WAY OF LINCOLN COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2019 WITH PRIOR YEAR COMPARATIVE TOTALS

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total 2019</u>	<u>Prior 2018</u>
Public support and revenue:				
Public support:				
Campaign contributions	\$ -	\$ 442,483	\$ 442,483	\$ 400,864
Less provision for uncollectible pledges	-	(32,933)	(32,933)	(24,685)
Less designations	-	(24,993)	(24,993)	(14,042)
Net campaign contributions	-	384,558	384,558	362,137
Contributions	5,106	153	5,259	10,120
Gifts in-kind	5,445	-	5,445	5,750
Reimbursements	-	-	-	-
211 Grant	-	-	-	-
Fundraisers	5,941	-	5,941	8,337
Interest income	367	-	367	347
Net assets released from restriction (Note 5)	354,363	(354,363)	-	-
Total public support	<u>371,222</u>	<u>30,348</u>	<u>401,570</u>	<u>386,691</u>
 Expenses:				
Allocations to agencies	255,000	-	255,000	232,000
Allocation and agency relations	37,575	-	37,575	32,757
Management and general	32,415	-	32,415	27,412
Fundraising	60,896	-	60,896	56,741
Total expenses	<u>385,886</u>	<u>-</u>	<u>385,886</u>	<u>348,910</u>
 Change in net assets	(14,664)	30,348	15,684	37,781
 Net assets:				
Beginning	230,610	222,421	453,031	415,250
Transfer			-	-
Ending	<u>\$ 215,946</u>	<u>\$ 252,769</u>	<u>\$ 468,715</u>	<u>\$ 453,031</u>

The Accompanying Notes are an Integral Part of these Financial Statements.

UNITED WAY OF LINCOLN COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2019 WITH COMPARATIVE TOTALS FOR 2018

	Allocation and Agency Relations	Management and General	Fund Raising	Funds Awarded to Other Agencies	Total 2019	Prior 2018
Salaries and benefits	\$ 16,967	\$ 20,360	\$ 30,538	\$ -	67,865	56,903
Payroll taxes	1,236	1,483	2,224	-	4,943	4,116
Contract Labor	3,000	3,600	5,400	-	12,000	5,500
Insurance	546	655	982	-	2,183	2,165
Conference, conventions, and travel	108	129	192	-	429	223
Postage	44	53	82	-	179	234
Advertising	-	-	-	-	-	83
Professional services	1,000	1,200	1,800	-	4,000	4,000
Telephone	304	365	547	-	1,216	1,387
Supplies and printing	215	258	387	-	860	1,426
Promotional expenses	-	-	2,773	-	2,773	4,074
Equipment maintenance	389	467	700	-	1,556	1,765
Utilities	815	978	1,466	-	3,259	3,454
Luncheons	100	-	-	-	100	88
Dues and memberships	58	70	104	-	232	365
Website	515	-	-	-	515	575
Dues to state and national	831	997	1,495	-	3,323	3,497
211/Day of Caring/Teen Board/Asbury	9,947	-	-	-	9,947	9,251
Events	-	-	5,941	-	5,941	8,337
Fees from Other United Ways	-	-	3,403	-	3,403	2,786
Rent*	1,350	1,620	2,430	-	5,400	5,400
Donated Goods*	-	-	45	-	45	350
Funds Awarded	-	-	-	255,000	255,000	232,000
Miscellaneous	-	-	116	-	116	80
Bank charges	-	-	-	-	-	-
Total expenses before depreciation	37,425	32,235	60,625	255,000	385,285	348,059
Depreciation	150	180	271	-	601	851
Total expenses	<u>\$ 37,575</u>	<u>\$ 32,415</u>	<u>\$ 60,896</u>	<u>\$ 255,000</u>	<u>\$ 385,886</u>	<u>\$ 348,910</u>

* Includes Gift in Kind, see note 7

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

UNITED WAY OF LINCOLN COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019 WITH COMPARATIVE TOTALS FOR 2018

Years Ended March 31,	2019	2018
Cash Flows from operating activities		
Cash received from donors	371,593	378,147
Interest and dividends received	367	347
Other Cash Received	852	1,073
Cash Paid to vendors	(49,529)	(50,962)
Cash paid for payroll and benefits	(72,729)	(61,429)
Designations paid to other United Ways/Non-partner agencies	(10,238)	(9,171)
Allocations paid to Partner Agencies	(255,000)	(232,000)
Net cash flows provided by (used in) operating activities	(14,684)	26,005
Cash flows from investing activities		
Purchase of Property and Equipment	-	-
Net cash flows provided by (used in) operating activities	-	-
Cash flow from financing activities		
Contributions received with permanent donor restriction	-	-
Net cash flows provided by (used in) financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(14,684)	26,005
Cash and Cash Equivalents		
Beginning of Year	242,162	216,157
End of Year	\$ 227,478	\$ 242,162

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

UNITED WAY OF LINCOLN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

Note 1. SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ACTIVITIES

Organizational History

United Way of Lincoln County, Inc. (United Way) is a non-profit organization incorporated on November 4, 1960 and is governed by a volunteer Board of Directors. Its mission is to connect people, resources and ideas to create a thriving community characterized by stability, educational success, and healthy members of the community.

The United Way is a tax exempt organization under section 501(c)(3) of the Internal Revenue Code. However, income generated from activities unrelated to the exempt purpose of the United Way is subject to tax. There was no unrelated business income in the year ended March 31, 2019. The United Way has been classified as an entity that is not a private foundation within the meaning of section 509(a) and contributions to the United Way are tax-deductible within the limitations prescribed by law. The United Way is also classified as a non-profit health and welfare service agency. 96% of revenue was derived through campaign contributions.

Basis of Accounting

The United Way prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Under those standards, United Way is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restriction and net assets without donor restriction. In addition, the United Way is required to present a statement of cash flows. The United Way uses the accrual method of accounting. Under this method, revenue is recognized when earned, and expenses are recognized when incurred.

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates include allowance for uncollectible promises to give. Because of the inherent uncertainties in estimating uncollectible promises to give, it is reasonably possible that management's estimates could change in the near term.

Income Taxes

United Way is a not-for-profit organization that is exempt from 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. Accordingly, no provision for Federal or State income taxes has been made in the accompanying financial statements.

UNITED WAY OF LINCOLN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

Cash and Cash Equivalents

For purposes of the statements of cash flows, the United Way considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of demand deposits in banks, cash on hand, and deposits in money market accounts. Restricted Cash is donor restricted cash that has yet to be released from restriction.

Campaign Promises to Give Receivable

Unconditional promises to give are recorded as pledges receivable and contribution revenue when the promise is made. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

The United Way uses the allowance method to determine uncollectible pledges receivable. Pledges receivable and related contributions are initially recorded at their net realizable value based on amounts expected to be collected from donors. This valuation reflects net pledge balances at a level which, in the judgment of management, is adequate to meet the present and potential risks of uncollectibility of the pledges receivable. Management's judgment is based on a variety of factors, which include experience related to charge offs and recoveries, previous collection history and scrutiny of individual accounts. Specific accounts are written off only upon notification from donors that the pledges are no longer collectible.

Provision for uncollectible promises to give is computed based upon a five-year historical adjusted average adjusted by management estimates of current economic factors, applied to gross campaign.

Donor-designated promises are not assessed any fees deduction other than the normal provision for uncollectibles.

Accounts Receivable

United Way's accounts receivable are made up of balances due to be received after year end that are not campaign related such as sales tax refunds receivable. Due to the nature of the receivables, management has determined that an allowance for doubtful accounts is not necessary.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and expensed as the items are used.

UNITED WAY OF LINCOLN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

Property and Equipment

The United Way capitalizes property and equipment with a value over \$500 and a useful life over one year. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value on the date of the gift. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the United Way reports expirations of donor restrictions when the donated or acquired assets are placed in service. United Way reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years. Management annually reviews these assets to determine whether carrying values have been impaired.

Net Asset Classifications

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board has designated a portion of net assets without donor restrictions as reserved for future allocations in the event of closure of the United Way.

See note 8 for more information on the composition of net assets without donor restrictions.

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.

The United Way reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions expire in the same fiscal year in which the contributions are recognized.

See Note 9 for more information on the composition of net assets with donor restrictions.

UNITED WAY OF LINCOLN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

Contributions

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America. Under those standards, contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Contributions are recognized when the donor makes a promise to give to the United Way that is, in substance, unconditional.

Contributed Services

No amounts have been reflected in the financial statements for donated services. United Way generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the United Way carrying out its fundraising and special programs, but these services do not meet the criteria for recognition as contributed services. The United Way had 1,251 volunteer hours from 212 volunteers in fiscal year ending March 31, 2019 and 1,090 volunteer hours from 257 volunteers in fiscal year ending March 31, 2018.

Functional Allocation of Expenses

Expenses are summarized and categorized based on their functional classification as Allocation and Agency Relations, Management and General, or Fundraising in the statement of functional expenses. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. However, some expenses relate to more than one function and must be allocated among the program and supporting services benefited. Salaries and related expenses are allocated based on the estimated time the employee spends on each function.

Advertising

The United Way expenses advertising costs as incurred.

Concentration of Credit Risk

The United Way is subject to a credit risk in relation to outstanding promises to give. These promises to give receivables come from corporate and individual donors in a concentrated geographic area. Management does not consider this concentration to be a significant credit risk.

UNITED WAY OF LINCOLN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

The United Way maintains demand deposits at one bank in North Carolina which are secured by the Federal Deposit Insurance Corporation. At March 31, 2019 the deposits had a carrying value of \$227,478 and a bank balance of \$283,382. Of this amount \$250,000 is covered by FDIC and \$33,382 was uninsured. Management does not consider this concentration to be a significant risk.

Note 2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

Financial Assets at Year End	\$484,989
Less those available for general expenditure within one Year, due to:	
Donor Restricted:	
As designations to other United Ways	(12,230)
Unavailable to management without Board approval Board designated for future allocations	(<u>67,999</u>)
Financial assets available to meet cash needs for general Expenditure within one year	<u>\$404,760</u>

Note 3. PROMISES TO GIVE

Unconditional Promises to Give as of March 31, 2019 is summarized as follows:

	Pledges due in less than one year	Pledges due within 1-5 years	Less: unamortized present value discount	Pledges receivable balance, net of discount	Allowance	Pledges receivable balance, net of discount and allowance
Campaign pledges receivable:						
2017/2018 Campaign	\$ 30,917	\$ -	\$ -	\$ 30,917	\$ 29,100	\$ 1,817
2018/2019 Campaign	<u>283,725</u>	<u>-</u>	<u>-</u>	<u>283,725</u>	<u>28,358</u>	<u>255,367</u>
Subtotal	<u>\$ 314,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,642</u>	<u>\$ 57,458</u>	<u>\$ 257,184</u>

Allowance for uncollectible pledges was \$57,458 resulting in a net receivable of \$257,184. Because pledges are short term pledges there is no discount for present value.

UNITED WAY OF LINCOLN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

Promises to Give as of March 31, 2018 is summarized as follows:

	<u>Pledges due in less than one year</u>	<u>Pledges due within 1-5 years</u>	<u>Less: unamortized present value discount</u>	<u>Pledges receivable balance, net of discount</u>	<u>Allowance</u>	<u>Pledges receivable balance, net of discount and allowance</u>
Campaign pledges receivable:						
2016/2017 Campaign	\$ 24,458	\$ -	\$ -	\$ 24,458	\$ 24,398	\$ 60
2017/2018 Campaign	<u>248,350</u>	<u>-</u>	<u>-</u>	<u>248,350</u>	<u>24,525</u>	<u>223,825</u>
Subtotal	<u>\$ 272,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272,808</u>	<u>\$ 48,923</u>	<u>\$ 223,885</u>

Allowance for uncollectible pledges was \$48,923 resulting in a net receivable of \$223,885. Because pledges are short term pledges there is no discount for present value.

	<u>2018/2019</u>	<u>2017/2018</u>
Campaign Contributions per Statement of Activities	\$ 442,483	\$ 400,864
Amount received for previous campaigns	<u>(905)</u>	<u>(517)</u>
Total Campaign Income	<u>441,578</u>	<u>400,347</u>
	<u>2018/2019</u>	<u>2017/2018</u>
Total Campaign	441,578	400,347
Average Uncollectible past 5 years	<u>6.4220%</u>	<u>6.1260%</u>
Allowance for Uncollectibles	28,358	24,525
Allowance-Prior Year Campaign	<u>29,100</u>	<u>24,398</u>
Total Uncollectible-All years	<u>57,458</u>	<u>48,923</u>

Management used the actual average uncollectible amount for the past 5 years to determine the estimated allowance on the 2018/2019 campaign. Management reviewed all outstanding accounts for the 2017/2018 campaign and adjusted the allowance to expected uncollectible amount. It is management's policy that the uncollectible amounts be written off in the August after the campaign year (e.g. 2017/2018 actual uncollectible will be written off in August 2019).

UNITED WAY OF LINCOLN COUNTY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2019

Note 4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	3/31/2019	3/31/2018
Property and Equipment	\$ 11,959	\$ 11,959
Less Accumulated Depreciation	(11,548)	(10,947)
Net Property and Equipment	\$ 411	\$ 1,012

Note 5. LONG TERM DEBT

As of March 31, 2019 and 2018 the United Way did not have any long term debt.

Note 6. LEASES

The United Way leases its building from Lincoln County for \$1 per lease period. The lease was renewed in the fiscal year March 31, 2013 for a 3 year period with an option to renew for an additional 5 year period. In fiscal year March 31, 2016 the lease was renewed for the additional 5 year period. The lease is now through October 2020. See Note 7 for information on lease expense.

The lease was terminated due to inhabitable conditions in fiscal year ending March 31, 2019.

Note 7. GIFTS IN KIND

The United Way received several gifts in kind in the current year as follows:

	3/31/19	3/31/18
Lease	\$ 5,400	\$ 5,400
Advertising	\$ -0-	\$ -0-
Goods/Services	\$ 45	\$ 350
	\$ 5,445	\$ 5,750

These gifts were recorded as income and expense. The lease is for the fair market rental value of the office space leased from Lincoln County as described in Note 6. The donated goods were trophies donated by House of Trophies for awards given by the Board.

UNITED WAY OF LINCOLN COUNTY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2019

Note 8. NET ASSETS WITHOUT DONOR RESTRICTIONS

The United Way's net assets without donor restrictions is comprised of undesignated and Board designated amounts for the following purposes at March 31, 2019 and 2018:

	<u>3/31/19</u>	<u>3/31/18</u>
Undesignated	\$147,536	161,769
Fixed Assets	411	1,012
Board Designated for Reserves	<u>67,999</u>	<u>67,829</u>
Total	<u>\$215,946</u>	<u>\$230,610</u>

Board Designated for Reserves

The Board has designated funds be set aside as reserves to pay allocations in the event that the United Way does not have the funds to pay allocations or ceases operations.

Note 9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	<u>3/31/2019</u>	<u>3/31/2018</u>
Net Promises to give	\$ 257,184	\$ 223,885
Day of Caring	694	1,398
Teen Center	1,199	1,551
Specific Event	-	80
Christmas Fund	453	303
DIS Assistance	370	552
Asbury Project	99	96
Asbury Restricted	5,000	5,000
Specific Purpose	-	330
Accounts Payable restricted to other agencies	<u>(12,230)</u>	<u>(10,774)</u>
Total temporarily restricted net assets	<u>\$ 252,769</u>	<u>\$ 222,421</u>

Net promises to give are considered net assets with donor restrictions until collected.

Amounts contributed to the Day of Caring, Teen Center, Specific Event, Christmas Fund, and the Asbury Project are restricted for use for these activities. The amounts above represent the contributions/cash that has yet to be expended.

UNITED WAY OF LINCOLN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

Note 10. ACCOUNTS PAYABLE, INCLUDING DESIGNATIONS TO OTHER AGENCIES

	3/31/2019	3/31/2018
Accounts Payable-Expenses	\$ 4,459	\$ 3,578
Payroll Liabilities	1,448	1,369
Accounts Payable-Agencies	12,230	10,774
Total Accounts Payable	\$ 18,137	\$ 15,721

Note 11. CHANGE IN ACCOUNTING PRINCIPLE

Effective April 1, 2018, the Organization adopted Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. ASU 2016-14 is effective for financial statements issued for fiscal years beginning after December 31, 2017. Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the period presented. Net assets previously reported as temporarily restricted are now reported as net assets with donor restrictions. Likewise, net assets previously reported as unrestricted are now reported as net assets without donor restrictions.

Note 12. SUBSEQUENT EVENTS

The United Way has evaluated its financial statements for subsequent events through June 19, 2019, the date the financial statements were available to be issued. The United Way is not aware of any such events which would require recognition or disclosure in the financial statements.

UNITED WAY OF LINCOLN COUNTY, INC.
SCHEDULE OF ALLOCATIONS DISTRIBUTED TO AGENCIES
FOR THE YEAR ENDED MARCH 31, 2019 WITH COMPARATIVE TOTALS FOR 2018

	<u>2019</u>	<u>2018</u>
A Place To Grow	\$ 3,000	\$ 8,000
American Red Cross	13,500	15,000
Boy Scouts	9,800	9,800
Communities In Schools	23,000	23,000
Community Friends/Senior Services	3,200	8,200
Hessed House of Hope	15,500	-
Helping Hands Clinic	23,000	19,800
Hospice	17,500	19,300
LC Coalition Against Child Abuse	30,000	26,800
LC Coalition Against Domestic Violence	22,000	20,000
Lincoln County Family YMCA	30,000	30,000
Sally's YMCA	16,000	15,300
Salem Industries	30,000	23,800
Special Olympics	18,500	13,000
 Total allocation to agencies	 <u>\$ 255,000</u>	 <u>\$ 232,000</u>

The Accompanying Notes are an Integral Part of these Financial Statements.