



Financial Statements

**UNITED WAY OF
GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

DECEMBER 31, 2018 AND 2017

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

TABLE OF CONTENTS

	<u>PAGE NO.</u>
INDEPENDENT AUDITOR'S REPORT.....	1-2
FINANCIAL STATEMENTS--	
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Functional Expenses.....	5-6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8-20
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION.....	21
SUPPLEMENTARY INFORMATION--	
Schedules of Allocations to Agencies.....	22
Schedules of Historical Pledges and Uncollectibles.....	23



LAFAYETTE OFFICE
415 Columbia Street, Suite 2000
PO Box 970
Lafayette, IN 47902-0970
Phone 765.428.5000
Fax 765.428.5700

RENSELAER OFFICE
311 East Drexel Parkway
PO Box 68
Rensselaer, IN 47978-0068
Phone 219.866.5196
Fax 219.866.5835

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Greater Lafayette and Tippecanoe County, Indiana, Inc.
Lafayette, Indiana

We have audited the accompanying financial statements of United Way of Greater Lafayette and Tippecanoe County, Indiana, Inc., which comprise the statements of financial position as of December 31, 2018 and 2017, 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 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.

INDEPENDENT AUDITOR'S REPORT--CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greater Lafayette and Tippecanoe County, Indiana, 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.

Huth Thompson LLP

May 16, 2019
Lafayette, Indiana

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**STATEMENTS OF FINANCIAL POSITION
As of December 31,**

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,549,990	\$ 2,280,690
Certificates of Deposit	357,127	154,077
Pledges Receivable	3,327,775	3,312,735
Grants Receivable	500,000	3,575
Investments	2,617,729	2,963,355
Other Assets	53,641	56,195
TOTAL CURRENT ASSETS	8,406,262	8,770,627
PROPERTY AND EQUIPMENT		
Building	592,000	592,000
Work in Progress	73,877	34,113
Equipment	176,665	177,865
	842,542	803,978
Less: Accumulated Depreciation	(185,189)	(151,533)
	657,353	652,445
OTHER ASSETS		
Beneficial Interest in Assets Held by the Community Foundation of Greater Lafayette-- United Way Designated Fund	1,140,430	1,321,369
Investments--Permanently Restricted	4,250	4,250
	1,144,680	1,325,619

\$ 10,208,295 \$ 10,748,691

See Notes to Financial Statements.

	<u>2018</u>	<u>2017</u>
LIABILITIES		
CURRENT LIABILITIES		
Allocations Payable	\$ 3,735,253	\$ 3,810,337
Agency Funds	295	295
Accounts Payable	140,143	145,213
Accrued Expenses	<u>15,540</u>	<u>14,914</u>
TOTAL CURRENT LIABILITIES/ TOTAL LIABILITIES	3,891,231	3,970,759
NET ASSETS		
Net Assets Without Donor Restrictions--		
Board Designated--		
Emergency Reserve	48,793	48,793
United Way Designated Fund	<u>15,533</u>	<u>196,472</u>
	64,326	245,265
Undesignated Net Assets--	<u>1,471,063</u>	<u>1,956,994</u>
	1,535,389	2,202,259
Net Assets With Donor Restrictions--		
Albert J. Bonner, Jr. Fund	14,555	15,562
1010 Implementation	-	531
Tipp Celebration Rally Fund	27	-
Lean IN Grant	6,810	-
Invest 1213 - Health	37,980	148,260
Solutions Beyond Shelter	11,222	11,222
Family Stability	1,397	1,397
Healthy Active Tippecanoe	2,000	2,000
Philanthropic Fund	30,296	17,749
4Community2 Grant	2	30,953
Work2Gether	-	47,806
BornLearning	12,162	35,567
Kindergarten Camp	403	-
United IN 16	179,563	269,883
United IN 18	454,236	-
Community Commitment to Education Campaign	<u>62,981</u>	<u>102,398</u>
	3,968,041	3,892,345
	4,781,675	4,575,673
TOTAL NET ASSETS	<u>6,317,064</u>	<u>6,777,932</u>
	<u>\$ 10,208,295</u>	<u>\$ 10,748,691</u>

UNITED WAY OF GREATER LAFAYETTE AND TIPPECANOE COUNTY, INDIANA, INC.

**STATEMENTS OF ACTIVITIES
For Years Ended December 31,**

	TOTAL		WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTIONS	
	2018	2017	2018	2017	2018	2017
PUBLIC SUPPORT AND REVENUE						
Gross Campaign Results Current Year	\$ 5,305,413	\$ 5,253,885	\$ -	\$ -	\$ 5,305,413	\$ 5,253,885
(Less) Provisions for Uncollectibles	(197,356)	(199,425)	-	-	(197,356)	(199,425)
Prior Year Recovery (Losses) for Uncollectibles	72,257	(6,955)	72,257	(6,955)	-	-
(Less) Out-of-County Designations	(566,722)	(628,675)	-	-	(566,722)	(628,675)
(Less) Amounts Designated by Donors for Member Organizations	(573,294)	(533,440)	-	-	(573,294)	(533,440)
Net Campaign Revenue	4,040,298	3,885,390	72,257	(6,955)	3,968,041	3,892,345
In-Kind Contributions	76,437	44,655	73,437	44,655	3,000	-
Contributions	97,521	100,770	25,800	36,020	71,721	64,750
Grants	555,500	76,649	5,500	10,001	550,000	66,648
Sponsorship Income	32,500	16,250	32,500	16,250	-	-
Interest and Dividends, Net of Investment Fees	109,991	103,530	109,747	103,306	244	224
Realized Gain on Sale of Investments	78,107	87,038	77,711	86,541	396	497
Endowment Income	19,637	19,449	19,637	19,449	-	-
Workshop Income	-	12,256	-	12,256	-	-
Service Fee Income	17,071	19,302	17,071	19,302	-	-
Net Assets Released from Restrictions	-	-	4,385,753	4,311,499	(4,385,753)	(4,311,499)
TOTAL PUBLIC SUPPORT AND REVENUE	5,027,062	4,365,289	4,819,413	4,652,324	207,649	(287,035)
EXPENSES						
Program Services--						
Gross Funds Awarded and Allocation Service Expenses	3,771,253	3,899,787	3,771,253	3,899,787	-	-
(Less) Donor Designations	(573,294)	(533,440)	(573,294)	(533,440)	-	-
Net Funds Awarded and Allocation Service Expenses	3,197,959	3,366,347	3,197,959	3,366,347	-	-
Labor Relations/Community Service	69,097	79,598	69,097	79,598	-	-
Grant Programs	808,792	910,554	808,792	910,554	-	-
Total Program Services	4,075,848	4,356,499	4,075,848	4,356,499	-	-
Management and General	290,527	277,792	290,527	277,792	-	-
Fundraising	627,693	567,329	627,693	567,329	-	-
TOTAL EXPENSES	4,994,068	5,201,620	4,994,068	5,201,620	-	-
INCREASE (DECREASE) IN NET ASSETS BEFORE						
UNREALIZED GAIN (LOSS) ON INVESTMENTS	32,994	(836,331)	(174,655)	(549,296)	207,649	(287,035)
UNREALIZED GAIN (LOSS) ON INVESTMENTS	(493,862)	431,751	(492,215)	430,423	(1,647)	1,328
INCREASE (DECREASE) IN NET ASSETS	(460,868)	(404,580)	(666,870)	(118,873)	206,002	(285,707)
NET ASSETS--Beginning of Year	6,777,932	7,182,512	2,202,259	2,321,132	4,575,673	4,861,380
NET ASSETS--End of Year	\$ 6,317,064	\$ 6,777,932	\$ 1,535,389	\$ 2,202,259	\$ 4,781,675	\$ 4,575,673

See Notes to Financial Statements.

UNITED WAY OF GREATER LAFAYETTE AND TIPPECANOE COUNTY, INDIANA, INC.

**STATEMENTS OF FUNCTIONAL EXPENSES
For Years Ended December 31,**

	2018							
	PROGRAM SERVICES				SUPPORTING SERVICES			COMBINED TOTAL
	ALLOCATION SERVICE	LABOR RELATIONS/ COMMUNITY SERVICE	GRANT PROGRAMS	TOTAL	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	
Allocations to Agencies	\$ 3,771,253	\$ -	\$ -	\$ 3,771,253	\$ -	\$ -	\$ -	\$ 3,771,253
(Less) Donor Designations	(573,294)	-	-	(573,294)	-	-	-	(573,294)
Sub-Total	3,197,959	-	-	3,197,959	-	-	-	3,197,959
Grants to Agencies	-	-	275,099	275,099	-	8,250	8,250	283,349
Community and Agency Services--								
Salaries	-	41,593	340,521	382,114	169,905	255,721	425,626	807,740
Payroll Taxes	-	3,077	25,017	28,094	11,807	18,312	30,119	58,213
Fringe Benefits	-	4,604	21,957	26,561	15,644	19,340	34,984	61,545
Health Insurance	-	2,077	34,518	36,595	17,265	41,175	58,440	95,035
Public Relations/Campaign	-	895	2,465	3,360	2,044	160,067	162,111	165,471
State Association Dues	-	1,643	11,019	12,662	5,159	11,245	16,404	29,066
Office Expense	-	554	3,321	3,875	2,044	3,522	5,566	9,441
Insurance	-	995	6,716	7,711	3,260	6,690	9,950	17,661
Telephone and Networking	-	1,636	16,324	17,960	5,119	12,776	17,895	35,855
Postage and Shipping	-	362	430	792	1,600	4,945	6,545	7,337
Travel and Mileage	-	929	1,841	2,770	399	3,265	3,664	6,434
Professional Services	-	989	6,636	7,625	3,662	6,772	10,434	18,059
Conferences and Meetings	-	195	3,293	3,488	5,700	4,775	10,475	13,963
Repairs and Maintenance	-	1,182	3,153	4,335	968	2,861	3,829	8,164
Depreciation	-	2,156	14,466	16,622	6,773	14,763	21,536	38,158
Occupancy Expense	-	2,360	15,836	18,196	7,415	16,162	23,577	41,773
Endowment Fee	-	-	-	-	21,346	-	21,346	21,346
Miscellaneous	-	566	4,142	4,708	99	14,561	14,660	19,368
United Way of America Dues	-	3,284	22,038	25,322	10,318	22,491	32,809	58,131
TOTAL FUNCTIONAL EXPENSES	\$ 3,197,959	\$ 69,097	\$ 808,792	\$ 4,075,848	\$ 290,527	\$ 627,693	\$ 918,220	\$ 4,994,068

(Continued on Page 6)

See Notes to Financial Statements.

UNITED WAY OF GREATER LAFAYETTE AND TIPPECANOE COUNTY, INDIANA, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For Years Ended December 31,
(Continued from Page 5)

	2017							
	PROGRAM SERVICES				SUPPORTING SERVICES			COMBINED TOTAL
	ALLOCATION SERVICES	LABOR RELATIONS/ COMMUNITY SERVICE	GRANT PROGRAMS	TOTAL	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	
Allocations to Agencies	\$ 3,899,787	\$ -	\$ -	\$ 3,899,787	\$ -	\$ -	\$ -	\$ 3,899,787
(Less) Donor Designations	<u>(533,440)</u>	-	-	<u>(533,440)</u>	-	-	-	<u>(533,440)</u>
Sub-Total	3,366,347	-	-	3,366,347	-	-	-	3,366,347
Grants to Agencies	-	-	342,794	342,794	-	27,487	27,487	370,281
Community and Agency Services--								
Salaries	-	43,407	355,385	398,792	161,027	248,715	409,742	808,534
Payroll Taxes	-	3,086	26,014	29,100	11,625	18,195	29,820	58,920
Fringe Benefits	-	5,936	26,762	32,698	16,543	22,940	39,483	72,181
Health Insurance	-	5,661	39,363	45,024	17,251	36,993	54,244	99,268
Public Relations/Campaign	-	2,251	9,476	11,727	4,454	94,297	98,751	110,478
State Association Dues	-	578	4,052	4,630	1,633	3,738	5,371	10,001
Office Expense	-	866	3,728	4,594	2,478	4,372	6,850	11,444
Insurance	-	1,014	7,121	8,135	3,096	6,378	9,474	17,609
Telephone and Networking	-	1,876	18,271	20,147	5,332	14,855	20,187	40,334
Postage and Shipping	-	365	472	837	1,677	5,731	7,408	8,245
Travel and Mileage	-	1,455	2,049	3,504	464	2,672	3,136	6,640
Professional Services	-	913	6,408	7,321	2,582	5,911	8,493	15,814
Conferences and Meetings	-	2,799	6,071	8,870	6,360	8,206	14,566	23,436
Workshop Expenses	-	-	6,839	6,839	-	-	-	6,839
Repairs and Maintenance	-	958	2,381	3,339	566	5,300	5,866	9,205
Depreciation	-	2,205	15,481	17,686	6,239	14,281	20,520	38,206
Occupancy Expense	-	2,149	15,090	17,239	6,081	13,921	20,002	37,241
Endowment Fee	-	-	-	-	21,702	-	21,702	21,702
Miscellaneous	-	1,056	1,569	2,625	127	13,754	13,881	16,506
United Way of America Dues	-	3,023	21,228	24,251	8,555	19,583	28,138	52,389
TOTAL FUNCTIONAL EXPENSES	\$ 3,366,347	\$ 79,598	\$ 910,554	\$ 4,356,499	\$ 277,792	\$ 567,329	\$ 845,121	\$ 5,201,620

See Notes to Financial Statements.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**STATEMENTS OF CASH FLOWS
For Years Ended December 31,**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) in Net Assets	\$ (460,868)	\$ (404,580)
Adjustments to Reconcile (Decrease) in Net Assets to Net Cash (Used) by Operating Activities--		
Depreciation	38,158	38,206
Net Realized and Unrealized (Gain) Loss on Investments and Beneficial Interest in Assets Held by the Community Foundation of Greater Lafayette	415,755	(518,789)
Provision for Uncollectible Pledges	202,929	191,839
(Increase) Decrease in Current Assets--		
Pledges Receivable	(217,969)	(167,128)
Grants Receivable	(496,425)	408,886
Other Assets	2,554	(9,686)
Increase (Decrease) in Current Liabilities--		
Accounts Payable	(5,070)	29,816
Allocations Payable	(75,084)	7,257
Agency Funds	-	(98)
Accrued Expenses	626	1,421
	(595,394)	(422,856)
NET CASH (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) Decrease in Certificates of Deposit	(203,050)	279,225
Purchases of Equipment	(43,066)	(34,113)
Net Proceeds from Investments and Beneficial Interest in Assets Held by the Community Foundation of Greater Lafayette	110,810	106,014
	(135,306)	351,126
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
(DECREASE) IN CASH AND CASH EQUIVALENTS	(730,700)	(71,730)
CASH AND CASH EQUIVALENTS--Beginning of Year	2,280,690	2,352,420
CASH AND CASH EQUIVALENTS--End of Year	\$ 1,549,990	\$ 2,280,690

See Notes to Financial Statements.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017**

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the United Way of Greater Lafayette and Tippecanoe County, Indiana, Inc.'s significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

- A) **Nature of Operations**--United Way of Greater Lafayette and Tippecanoe County, Indiana, Inc. (the Organization) was formed in 1956 as a not-for-profit corporation located in Lafayette, Indiana. United Way's mission is mobilizing our community to improve lives. The Organization is governed by local volunteer leaders – people who live and/or work in the community and who understand the needs of Tippecanoe County.
- B) **Cash Equivalents**--For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents.
- C) **Use of Estimates**--The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- D) **Pledges Receivable**--Pledges receivable are carried at the original pledged amount less an estimate made for allowance for doubtful accounts based on historical uncollectibles data. Pledges that are determined to be uncollectible, along with a general reserve, are included in the overall allowance for doubtful pledges. Recoveries of pledges receivable are recorded when received.
- E) **Contributions and Campaign Expenses**--Pledges receivable, which are unconditional promises to give, are recorded as received and are all restricted by time for the future year. Campaign expenses for annual campaigns are recognized in the period incurred.
- F) **Allocations**--Allocations to member agencies are recognized as expenses in the period approved by the Board of Directors.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

G) Property and Equipment--Property and equipment are stated at cost, less accumulated depreciation. If donated, the cost is the fair market value at the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on the straight-line method. The Organization's policy is to capitalize property and equipment with a value of \$500 or greater. Maintenance, repairs, and minor renewals are charged to operations as incurred. Improvements and major renewals are capitalized. Upon sale or disposition of properties, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale. Any resultant gain or loss is credited or charged to operations. Depreciation expense for the years ended December 31, 2018 and 2017, was \$38,158 and \$38,206, respectively.

H) Basis of Presentation--In accordance with FASB Accounting Standards Codification (Accounting Standards), the net assets of the Organization are reported in each of the following three classes:

- (1) *Net Assets Without Donor Restrictions*--Net assets that are not subject to donor-imposed stipulations. Other donor-imposed restrictions require the Organization to use all or part of the income earned on any related investments for general or specific purposes.**
- (2) *Net Assets With Donor Restrictions*--Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.**

All donor-restricted contributions are recorded as increases in net assets with donor restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

- I) **Income Taxes**--The Organization is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and state income taxes under the Indiana General Not-For-Profit Act.

Accounting Standards requires entities to disclose in their financial statements the nature of any uncertainties in their tax position. Tax years including 2015 and later are subject to examination by tax authorities. Areas that IRS and state tax authorities consider when examining tax returns of a charity include, but may not be limited to, tax-exempt status and the existence and amount of unrelated business income. The Organization does not believe that it has any uncertain tax positions with respect to these or other matters, and therefore, has not recorded any unrecognized tax benefits or liabilities. The Organization is not aware of any circumstances or events that make it reasonably possible that tax benefits may increase or decrease within 12 months of the date of these financial statements.

- J) **Advertising**--The Organization expenses advertising as incurred. During 2018 and 2017, advertising costs totaled \$-0- for both years.

- K) **Donated Goods and Services**--The Organization records various types of in-kind support including property and equipment, professional services, and materials. Property and equipment donated is capitalized on the basis explained on the previous page. Contributed professional services are recognized if the services either create or enhance long-lived assets, or require specialized skills and would typically need to be purchased if not provided by the donation. Contributions of supplies and materials are recognized at fair market value when received. In-kind contributions for professional services, and public relation materials were \$76,437 and \$44,655 for the years ended December 31, 2018 and 2017, respectively.

The Organization also receives significant donations of time from volunteers that do not meet the two recognized criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the financial statements.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

- L) **New Accounting Pronouncement**--On August 18, 2016, FASB issued ASU 2016-14, Not-For-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Additionally, the Organization has elected to early adopt ASU 2016-01 which removes the requirement for fair value disclosures of financial instruments.

NOTE 2: OVERHEAD RATIO

The overhead ratio is equal to fund-raising and management and general expenses divided by total campaign support and all other revenue sources. The ratio is calculated below using the Gross Method recommended in “*Functional Expenses and Overhead Reporting Guidelines for United Ways,*” United Way of America.

	2018	2017
Numerator:		
Supporting Services Functional Expenses	\$ 866,916	\$ 829,567
Denominator:		
Total Support and Revenue	6,111,239	5,502,635
Numerator/Denominator		
Expressed as a Percent	14.19%	15.08%

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017**

NOTE 3: LIQUIDITY AND AVAILABILTY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

Financial Assets at Year End--	
Cash and Cash Equivalents	\$ 1,549,990
Certificates of Deposit	357,127
Accounts Receivable	32,042
Pledges Receivable	3,327,775
Grants Receivable	500,000
Investments	<u>2,621,979</u>
Total Financial Assets Available Within One Year	8,388,913
Less Amounts Unavailable for General Expenditure--	
Restricted by Donors With Purpose Restrictions	(813,634)
Allocations Payable	<u>(3,735,253)</u>
Total Amounts Unavailable Due to Purpose Restrictions	(4,548,887)
Less Amounts Unavailable to Management Without Board Approval--	
Emergency Reserves	(48,793)
Less Amounts Designated Internally as Reserve Funds--	
Investments	<u>(2,617,729)</u>
Financial Assets Available to Management for General Expenditures Within One Year	<u>\$ 1,173,504</u>

As part of the Organization's liquidity management, it follows the recommended United Way Worldwide Standard Membership Guideline of having three to six months operating and allocations available. The Organization's financial assets are structured in a way to be available as general expenditures, liabilities, and other obligations come due. It is necessary to have an appropriate level of cash available due to the irregular nature of monthly revenue streams and consistent monthly expenditures (operating expenses, programmatic expenses, and agency allocations). Excess cash is invested in short term investments such as money markets and certificates of deposit.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017**

NOTE 4: PLEDGES RECEIVABLE

Pledges receivable at December 31, consist of the following:

	<u>2018</u>	<u>2017</u>
Current Year Campaign	\$ 3,332,588	\$ 3,312,275
Prior Year Campaign	<u>399,878</u>	<u>399,268</u>
	3,732,466	3,711,543
Less: Allowance for Uncollectible Pledges	<u>(404,691)</u>	<u>(398,808)</u>
Total Pledges Receivable	<u>\$ 3,327,775</u>	<u>\$ 3,312,735</u>

For the years ended December 31, 2018 and 2017, management calculated the current allowance for uncollectible pledges based on 4.16% and 4.31%, respectively, of the total pledges raised less out-of-county pledges paid by others.

NOTE 5: INVESTMENTS

Investments are carried at fair market value, and realized and unrealized gains and losses are included in the statements of activities. Interest and dividends are accrued as earned. Interest is shown net of any investment fees.

Investments at fair market value consisted of the following for the years ended December, 31:

	<u>2018</u>	<u>2017</u>
Equities	\$ 1,674,132	\$ 2,049,882
Fixed Income	<u>947,847</u>	<u>917,723</u>
	<u>\$ 2,621,979</u>	<u>\$ 2,967,605</u>

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017**

NOTE 5: INVESTMENTS (Continued)

The following schedule summarizes the investment return, net of investment fees of \$20,000 and \$19,886 for the years ended December 31, 2018 and 2017, respectively, and is included in the statements of activities. The investment return includes returns from the beneficial interest in assets held by the Foundation.

	2018	2017
Investment Earnings--		
Interest and Dividends, Net of Investment Fees	\$ 103,130	\$ 97,584
Realized Gain on Sale of Investments	78,107	87,038
Unrealized Gain (Loss) on Investments	(493,862)	431,751
	\$ (312,625)	\$ 616,373

Included in investments are the General, Loeb, Bonner, and Rosen funds.

NOTE 6: BENEFICIAL INTEREST IN ASSETS HELD BY THE COMMUNITY FOUNDATION OF GREATER LAFAYETTE

During 1994 and 1996, the Organization transferred assets to the Foundation and created two Agency Fund Endowments. Agency Fund Endowments are funds created by a not-for-profit organization with its own funds and for its own benefit. Assets transferred by the Organization to the Foundation are listed in the following paragraphs:

On January 1, 1994, the Organization entered into an Agency Endowment Fund Agreement (the United Way Special Endowment Fund) with the Foundation. The basic purpose of the United Way Special Endowment Fund is to provide support to the Organization to carry out its role and mission. This was accomplished by transferring cash in the amount of \$70,000 to the Foundation.

On October 1, 1996, the Organization entered into an Agency Endowment Fund Agreement (the United Way Designated Endowment Fund) with the Foundation that will benefit United Way agencies. The assets used to establish the endowment fund (\$1,054,897) were transferred from Foundation assets, which had built up over the years as a result of the receipt and investment of the Organization's allocations to the Foundation.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017**

NOTE 6: BENEFICIAL INTEREST IN ASSETS HELD BY THE COMMUNITY FOUNDATION OF GREATER LAFAYETTE (Continued)

On October 1, 1996, the Organization entered into an Agency Endowment Fund Agreement (the United Way Designated Endowment Fund) with the Foundation that will benefit United Way agencies. The assets used to establish the endowment fund (\$1,054,897) were transferred from Foundation assets, which had built up over the years as a result of the receipt and investment of the Organization's allocations to the Foundation.

In 2010, the Organization merged the Special Endowment Fund into the Designated Endowment Fund.

Since the Foundation is granted variance power in the endowment agreement, any subsequent contributions to the endowment made by individuals other than the Organization are not recorded on the Organization's books as contribution revenue. The only revenue and expense shown on the Organization's books for the endowment is interest income, investment gains and losses, investment fees and support expense directly related to the Organization's contributions. Revenue from the investments is reinvested annually.

At December 31, 2018 and 2017, the Organization has recorded a beneficial interest in assets held by the Foundation in the amount of \$1,140,430 and \$1,321,369, respectively. Only the income portions of these funds are board restricted. The historic value transferred is unrestricted, unappropriated.

NOTE 7: CONCENTRATIONS OF CREDIT RISK

At certain times during the year the Organization maintained cash deposits with its banks which exceeded the insurance limits set by the Federal Deposit Insurance Corporation (FDIC) as well as deposits with a credit union which exceeded the insurance limit set by the National Credit Union Administration (NCUA). As of December 31, 2018 and 2017, the amounts over the FDIC and NCUA limits were \$366,538 and \$742,364, respectively.

Investments, including investments underlying other assets invested with the Community Foundation of Greater Lafayette, total \$3,762,409 and \$4,288,974 at December 31, 2018 and 2017, respectively, and make up approximately 37% and 40% of the Organization's total assets, respectively. If market events were to result in a severe near term effect, management believes it would not cause a severe disruption of the normal functioning of the entity.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017**

NOTE 8: DONOR DESIGNATED CONTRIBUTIONS

In accordance with Accounting Standards, donor designated contributions are accounted for as a liability on the books of the Organization.

As of December 31, 2018 and 2017, \$573,294 and \$533,440, respectively, have been designated by donors for various agencies. The Organization has either included these designated amounts in the total allocations payable or paid the allocations out in each respective year.

United Way of Greater Lafayette complies with both the letter and intent of United Way of America's Cost Deduction Standard. United Way does not charge donors more than the actual cost to process and transfer designated gifts. There are no duplicative charges assessed donors on designated gifts.

NOTE 9: BOARD DESIGNATED FUNDS

Annual allocations are made to the unrestricted, board designated fund accounts through transfers from the undesignated fund. Disbursements made in excess of the annual allocations to these funds must be approved by the Board of Directors. Any balances remaining in the board designated fund accounts at the end of the year are carried over to the following year and serve to reduce the allocations necessary in the following year.

NOTE 10: NET ASSETS

Unrestricted, board designated funds are specifically identified in the statements of financial position and amount to \$64,326 and \$245,265, respectively for the years ended December 31, 2018 and 2017. Included in cash and investments at December 31, 2018 and 2017, is \$64,326 and \$245,265, respectively, of unrestricted, board designated funds.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017**

NOTE 10: NET ASSETS (Continued)

Net assets with donor restrictions, subject to purpose or time restrictions consisted of the following at December 31:

	2018	2017
Purpose Restriction--		
Special Projects-Bonner	\$ 10,305	\$ 11,312
1010 Implementation	-	531
Tipp Celebration Rally	27	-
Lean IN Grant	6,810	-
Invest 1213-Health	37,980	148,260
Solutions Beyond Shelter	11,222	11,222
Family Stability	1,397	1,397
Work2Gether	-	47,806
BornLearning	12,162	35,567
Kindergarten Camp	403	-
Healthy Active Tippecanoe	2,000	2,000
Philanthropic Needs	30,296	17,749
4Community2	2	30,953
United IN 16	179,563	269,883
United IN 18	454,236	-
Community Commitment to Education	62,981	102,398
Time Restriction--		
Campaign to support future years	3,968,041	3,892,345
Perpetual Restriction--		
Albert J. Bonner, Jr. Fund	4,250	4,250
	\$ 4,781,675	\$ 4,575,673

Included in cash, certificates of deposits, and receivables, and investments at December 31, 2018 and 2017, are \$4,781,675 and \$4,575,673, respectively, donor restricted funds.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017**

NOTE 11: FUNCTIONAL EXPENSES

Expenses are allocated based on their functional basis: program services, management and general, and fundraising costs. Expenses by function have been allocated among program and supporting services classifications on the basis of time studies and analyses made by the Organization's management.

Program services are divided into three programs. The Allocation Service Program recruits, educates, and assists local community volunteers in the identification of community funds in programs that address those same needs in our community. The Labor Relations/Community Services Program recruits and educates employees and union members on resources available in our community to assist people in need as well as the ways in which they can assist their co-workers, family members, and neighbors in locating the proper resources for their needs. Grant Programs consists of the United Way Volunteer Center (UWVC), and Community Impact. The Community Impact Programs work to bring key community partners together to address significant community issues. UWVC is a program that builds and strengthens our community by promoting and developing volunteerism by developing awareness among area residents of social service needs in the Lafayette community, promoting the recruitment of volunteers to work with social service agencies to develop and maintain quality volunteer programs.

NOTE 12: CONDITIONAL GRANTS

In 2018, the Organization was awarded a grant under the UnitedIN 18 program through the Indiana Association of United Ways. The grant was awarded in the amount of \$500,000, conditional upon the Organization securing new giving. The Organization had two years in which to meet the conditions of the grant. In 2018, the Organization fully met match requirements totaling \$500,000 and recorded a grant receivable as of December 31, 2018.

NOTE 13: SERVICE AGREEMENT

During 2018 the Organization entered into an agreement with White County United Way to provide pledge processing services. Annual fees for these services rendered to White County were 2.5% of the annual campaign. The agreement ceased in December 2018.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017**

**NOTE 14: TRANSACTIONS WITH UNITED WAY OF AMERICA AND CENTRAL INDIANA
UNITED WAY--RELATED PARTY**

The Organization remits annual dues to United Way of America and Indiana Association of United Way. Remitted amounts for the years ended December 31 were as follows:

	<u>2018</u>	<u>2017</u>
United Way of America	\$ 58,131	\$ 52,389
Indiana United Way	<u>29,066</u>	<u>10,001</u>
	<u>\$ 87,197</u>	<u>\$ 62,390</u>

In addition, the Organization recorded \$520,000 and \$22,466 in grant income from Indiana Association of United Way for the years ended December 31, 2018 and 2017, respectively.

NOTE 15: PENSION PLAN

The Organization has a defined contribution plan covering substantially all of its employees. Funding of this plan is current. Pension expense was \$46,607 and \$56,128 in 2018 and 2017, respectively.

NOTE 16: COMMITMENTS

The Organization has entered into three lease agreements for postage and software hosting. The leases qualify as operating leases and contain monthly lease payments of \$105 and \$425 and annual payments of \$3,500. The leases expire at various dates thru March 2020. Expenses under these leases totaled \$9,854 and \$9,821 for the years ended December 31, 2018 and 2017, respectively.

The Organization has also entered into an agreement for Connect2Help services on a monthly basis. The agreement includes monthly payments of \$2,300. Total expense under this agreement was \$27,600 for the years ended December 31, 2018 and 2017.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017**

NOTE 16: COMMITMENTS (Continued)

The minimum payments under these commitments for the years following December 31, 2018, are as follows:

2019	\$ 1,254
2020	<u>314</u>
	<u>\$ 1,568</u>

NOTE 17: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 16, 2019, the date which the financial statements were available to be issued.



LAFAYETTE OFFICE
415 Columbia Street, Suite 2000
PO Box 970
Lafayette, IN 47902-0970
Phone 765.428.5000
Fax 765.428.5700

RENSELAER OFFICE
311 East Drexel Parkway
PO Box 68
Rensselaer, IN 47978-0068
Phone 219.866.5196
Fax 219.866.5835

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors
United Way of Greater Lafayette and Tippecanoe County, Indiana, Inc.
Lafayette, Indiana

We have audited the financial statements of United Way of Greater Lafayette and Tippecanoe County, Indiana, Inc. as of and for the years ended December 31, 2018 and 2017, and have issued our report thereon dated May 16, 2019, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The following supplemental schedules are presented for the purpose 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 respects in relation to the financial statements as a whole.

Huth Thompson LLP

May 16, 2019
Lafayette, Indiana

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

SCHEDULES OF ALLOCATIONS TO AGENCIES

As of December 31,

(See Independent Auditor's Report on Supplementary Information)

	<u>2018</u>	<u>2017</u>
American Red Cross	\$ 112,500	\$ 125,000
Big Brothers/Big Sisters	106,090	106,090
BIGS in Blue-Big Brothers/Big Sisters	13,000	-
Boy Scouts of Sagamore Council	81,000	81,000
Bauer Family Resource Center	374,500	374,500
Connect2Help	27,600	27,600
Family Promise	30,800	25,667
Finance Park/Biz Town-Junior Achievement	10,000	-
Food Finders Food Bank	117,933	142,450
Girl Scouts of Sycamore Council	46,000	46,000
Hanna Community Center	67,500	75,000
Lafayette Adult Resource Academy	77,000	77,000
Lafayette Family YMCA	80,550	89,500
LTHC Homeless Services	329,080	329,080
Legal Aid Corporation	55,350	61,500
Lyn Treece Boys and Girls Club	243,500	243,500
Tippecanoe Senior Center/Meals on Wheels	201,150	223,500
Mental Health America	216,900	241,000
NAMI Café-NAMI West Central Indiana	20,000	-
PALS-Purdue University	22,000	-
Riggs Community Health Center	200,000	200,000
Right Steps Child Development Centers	540,500	540,500
Salvation Army	35,350	50,500
School Court-Bauer Family Resources	15,000	-
The Arc of Tippecanoe County	22,400	32,000
Wabash Center	219,600	244,000
Willowstone	308,400	308,400
YWCA	161,550	179,500
	<u>3,735,253</u>	<u>3,823,287</u>
Less: Donor Designated Contributions	<u>(573,294)</u>	<u>(533,440)</u>
	<u>\$ 3,161,959</u>	<u>\$ 3,289,847</u>

The amounts listed above include donor designated contributions for 2018 and 2017.

**UNITED WAY OF GREATER LAFAYETTE AND
TIPPECANOE COUNTY, INDIANA, INC.**

SCHEDULES OF HISTORICAL PLEDGES AND UNCOLLECTIBLES

As of December 31,

(See Independent Auditor's Report on Supplementary Information)

CAMPAIGN YEAR	TIPPECANOE TOTAL PLEDGES RECEIVABLE	ALLOWANCE FOR UNCOLLECTED			PERCENT OF TOTAL UNCOLLECTED
		ORIGINAL	ADJUSTMENTS	UNCOLLECTED	
1989	2,800,949	119,803	(21,076)	98,727	3.52
1990	3,071,030	129,262	39,164	168,426	5.48
1991	3,197,824	159,273	(49,980)	109,293	3.42
1992	3,261,425	169,400	(781)	168,619	5.17
1993	3,386,686	161,085	(10,010)	151,075	4.46
1994	3,431,252	163,393	(9,900)	153,493	4.47
1995	3,601,188	171,485	1,236	172,721	4.80
1996	3,761,580	188,079	(8,644)	179,435	4.77
1997	3,956,639	197,832	56,035	253,867	6.42
1998	4,121,871	206,094	56,516	262,610	6.37
1999	4,307,759	237,312	(129,996)	107,316	2.49
2000	4,380,508	264,000	(76,592)	187,408	4.28
2001	4,401,345	267,600	(66,468)	201,132	4.57
2002	4,665,021	264,083	(87,300)	176,783	3.79
2003	4,399,526	264,000	(94,509)	169,491	3.85
2004	4,447,808	242,375	(73,741)	168,634	3.79
2005	4,656,884	218,585	43,364	261,949	5.62
2006	4,612,355	221,819	2,568	224,387	4.86
2007	4,644,855	207,160	110,923	318,083	6.85
2008	4,745,316	265,208	128,779	393,987	8.30
2009	4,266,163	283,273	(19,726)	263,547	6.18
2010	4,257,744	299,319	(110,438)	188,881	4.44
2011	4,283,304	280,484	(114,248)	166,236	3.88
2012	4,532,528	291,946	(105,941)	186,005	4.10
2013	4,543,407	258,946	(86,746)	172,200	3.79
2014	4,628,534	215,211	(8,360)	206,851	4.47
2015	4,540,654	184,022	37,738	221,760	4.88
2016	4,618,646	187,433	(25,155)	162,278	3.51
2017	4,625,209	199,425	*	*	*
2018	4,738,691	197,356	*	*	*

Note: The pledges and allowances shown above represent only Tippecanoe County pledges. The columns do not include Out-of-County designated pledges or allowances.