

**GREATER OTTAWA COUNTY
UNITED WAY, INC.**

FINANCIAL STATEMENTS

MARCH 31, 2018 AND 2017



**Greater Ottawa County
United Way**

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Independent Auditors' Report

June 21, 2018

To the Board of Directors
Greater Ottawa County United Way, Inc.
Holland, Michigan

We have audited the accompanying financial statements of Greater Ottawa County United Way, Inc. which comprise the statement of financial position as of March 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 Greater Ottawa County United Way, Inc. as of March 31, 2018, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program expenses on page 13 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.

Report on Summarized Comparative Information

We have previously audited Greater Ottawa County United Way, Inc.'s March 31, 2017 financial statements, and our report dated June 22, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Ferris, Busscher and Zwierys
FERRIS, BUSSCHER & ZWIERS, P.C.
Certified Public Accountants
Holland, Michigan

GREATER OTTAWA COUNTY UNITED WAY, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2018 AND 2017

	2018	2017
Assets		
Current assets:		
Cash and equivalents	\$ 268,821	\$ 162,112
Restricted cash	100,880	6,409
Investments	827,536	1,001,310
Accounts receivable:		
2017 campaign pledges, net of allowance	1,057,979	-
2016 campaign pledges, net of allowance	-	1,033,808
2015 campaign pledges, net of allowance	-	16,987
Grants receivable, net of discount	151,900	-
Other pledges	4,269	3,492
Prepaid expenses	16,808	20,808
Total current assets	<u>2,428,193</u>	<u>2,244,926</u>
Grants receivable, net of current portion and discount	562,675	-
Leasehold improvements, building and equipment, net	85,349	19,480
Beneficial interest in assets held by others	<u>331,514</u>	<u>301,144</u>
Total assets	<u>\$ 3,407,731</u>	<u>\$ 2,565,550</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 37,912	\$ 44,803
Designations payable	260,838	174,418
Grants payable	15,008	10,598
Total current liabilities	<u>313,758</u>	<u>229,819</u>
Net assets:		
Unrestricted	304,569	369,910
Temporarily restricted	<u>2,789,404</u>	<u>1,965,821</u>
Total net assets	<u>3,093,973</u>	<u>2,335,731</u>
Total liabilities and net assets	<u>\$ 3,407,731</u>	<u>\$ 2,565,550</u>

See notes to financial statements

GREATER OTTAWA COUNTY UNITED WAY, INC.
STATEMENTS OF ACTIVITIES
YEAR ENDED MARCH 31, 2018 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED 2017

	Unrestricted	Temporarily Restricted	Total 2018	Total 2017
Revenues, Gains and Other Support				
Gross campaign 2015	\$ -	\$ -	\$ -	\$ 92,503
Gross campaign 2016	38,905	-	38,905	2,298,334
Less donor designations	-	-	-	(207,035)
Less allowance for uncollectible pledges	-	-	-	(125,478)
Net campaign 2016	<u>38,905</u>	<u>-</u>	<u>38,905</u>	<u>1,965,821</u>
2016 campaign released from restrictions	1,965,821	(1,965,821)	-	-
Gross campaign 2017	-	2,374,034	2,374,034	-
Less donor designations	-	(267,038)	(267,038)	-
Less allowance for uncollectible pledges	-	(126,420)	(126,420)	-
Net campaign 2017	<u>-</u>	<u>1,980,576</u>	<u>1,980,576</u>	<u>-</u>
Total net campaign	2,004,726	14,755	2,019,481	2,058,324
Other revenues, gains and support:				
Investment income, bank investments	80,643	-	80,643	99,350
Beneficial interests income, Grand Haven Area Community Foundation	33,967	-	33,967	24,929
Administrative fees	5,888	-	5,888	8,053
Grants and bequests, net of discount	137,794	798,328	936,122	50,357
Other income	217,933	10,500	228,433	109,624
In-kind contributions	139,808	-	139,808	63,349
Loss on sale of equipment	(395)	-	(395)	-
Total revenues, gains, and other support	<u>2,620,364</u>	<u>823,583</u>	<u>3,443,947</u>	<u>2,413,986</u>
Expenses				
Program services:				
Allocations	1,140,384	-	1,140,384	1,252,971
Designations	267,038	-	267,038	207,035
Other program services	670,128	-	670,128	550,370
Total program services	<u>2,077,550</u>	<u>-</u>	<u>2,077,550</u>	<u>2,010,376</u>
General and administrative	267,623	-	267,623	225,129
Fundraising	340,532	-	340,532	363,815
Total expenses	<u>2,685,705</u>	<u>-</u>	<u>2,685,705</u>	<u>2,599,320</u>
Changes in net assets	(65,341)	823,583	758,242	(185,334)
Net assets at beginning of year	<u>369,910</u>	<u>1,965,821</u>	<u>2,335,731</u>	<u>2,521,065</u>
Net assets at end of year	<u>\$ 304,569</u>	<u>\$ 2,789,404</u>	<u>\$ 3,093,973</u>	<u>\$ 2,335,731</u>

See notes to financial statements

GREATER OTTAWA COUNTY UNITED WAY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2018 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED 2017

	Program Services	General and Administrative	Fundraising	Total 2018	Total 2017
Salaries and related expenses:					
Salaries	\$ 323,837	\$ 113,991	\$ 158,881	\$ 596,709	\$ 515,657
Payroll taxes, insurance and retirement	98,581	36,578	52,052	187,211	145,953
Total salaries and related expenses	<u>422,418</u>	<u>150,569</u>	<u>210,933</u>	<u>783,920</u>	<u>661,610</u>
Operating expenses:					
Advertising	43,299	11,461	23,592	78,352	81,946
Conferences, conventions and meetings	7,131	6,588	3,185	16,904	17,366
Contract labor	4,518	-	36,000	40,518	45,866
Equipment maintenance and expense	26,204	13,616	7,272	47,092	42,392
Insurance	3,341	864	1,113	5,318	5,490
Membership dues	12,660	21,080	5,622	39,362	37,781
Mileage	4,597	4,656	3,202	12,455	12,067
Miscellaneous	2,093	10,994	400	13,487	12,909
Occupancy	22,426	7,532	7,475	37,433	37,252
Postage and shipping	884	2,465	3,370	6,719	12,203
Printing and publications	2,019	6,218	16,608	24,845	20,226
Professional fees	-	14,675	-	14,675	14,312
Special events and fundraising	96,853	3,644	11,019	111,516	106,167
Special projects	12,868	123	123	13,114	-
Supplies	1,160	3,281	481	4,922	4,044
Telephone	7,657	2,067	2,605	12,329	12,479
Total operating expenses	<u>247,710</u>	<u>109,264</u>	<u>122,067</u>	<u>479,041</u>	<u>462,500</u>
Campaign expenses:					
Allocations	1,140,384	-	-	1,140,384	1,252,971
Designations	267,038	-	-	267,038	207,035
Campaign expenses	-	-	7,532	7,532	6,384
Total campaign expenses	<u>1,407,422</u>	<u>-</u>	<u>7,532</u>	<u>1,414,954</u>	<u>1,466,390</u>
Depreciation	<u>-</u>	<u>7,790</u>	<u>-</u>	<u>7,790</u>	<u>8,820</u>
Total functional expenses	<u>\$ 2,077,550</u>	<u>\$ 267,623</u>	<u>\$ 340,532</u>	<u>\$ 2,685,705</u>	<u>\$ 2,599,320</u>

See notes to financial statements

GREATER OTTAWA COUNTY UNITED WAY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2018 AND 2017

	2018	2017
Cash Flows from Operating Activities		
Change in net assets	\$ 758,242	\$ (185,334)
Noncash items included in change in net assets:		
Depreciation	7,790	8,820
Unrealized gain on investments and beneficial interests	(65,915)	(99,162)
Realized gain on investments and beneficial interests	(16,514)	(611)
Investments and beneficial interests income reinvested	(32,181)	(24,506)
Donation of equipment	(60,046)	-
Loss and sale of equipment	395	-
Change in operating assets and liabilities:		
Increase in accounts receivable, prepaid expenses and grants receivable	(718,536)	(4,149)
Increase in accounts, designations, and grants payable	83,939	7,153
Net cash used by operating activities	<u>(42,826)</u>	<u>(297,789)</u>
Cash Flows from Investing Activities		
Proceeds from sale of investments	258,015	229,476
Purchase of equipment	(14,009)	(2,838)
Net cash provided by investing activities	<u>244,006</u>	<u>226,638</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	201,180	(71,151)
Cash, cash equivalents, and restricted cash balance at beginning of year	<u>168,521</u>	<u>239,672</u>
Cash, cash equivalents, and restricted cash balance at end of year	<u>\$ 369,701</u>	<u>\$ 168,521</u>

See notes to financial statements

**GREATER OTTAWA COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017**

1. Nature of Organization and Summary of Significant Accounting Policies

General

Greater Ottawa County United Way, Inc. is a non-profit organization dedicated to increasing the organized capacity of people to care for one another. The Organization helps support approximately sixty member agency's programs. These agency's programs provide basic services (food, clothing, shelter), substance abuse counseling, domestic violence counseling, day care services, in-home care for the elderly, employment assistance for disabled persons, and much more.

The Organization is affiliated with United Way Worldwide and engages in collaborative efforts with other local United Ways. It is important to note that a founding principle of the United Way movement is local autonomy and the value of local citizens making decisions to meet local needs. United Way Worldwide has no governing or legal responsibility of local United Ways, and acts as a coordinating and advisory body.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities. Net assets are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – 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. The Organization considers all current year campaign revenue to be temporarily restricted at March 31, 2018.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. The Organization does not have any permanently restricted net assets.

Cash and Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents, not including money market accounts which are included in investments for financial reporting purposes.

The Organization occasionally maintains deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

	2018	2017
Cash and cash equivalents	\$ 268,821	\$ 162,112
Restricted cash – funds held for program expenses	<u>100,880</u>	<u>6,409</u>
Total cash, cash equivalents, and restricted cash as shown on statements of cash flows	<u>\$ 369,701</u>	<u>\$ 168,521</u>

GREATER OTTAWA COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

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. The majority of the promises to give are received from a broad base of Ottawa County contributors as a result of the annual campaign. An allowance for uncollectible promises is provided based on management's evaluation of the percent of total campaign revenue that will not be collected.

The following is a schedule of unconditional campaign promises to give as of March 31:

	2018	2017
Receivable in less than one year	\$ 1,309,024	\$ 1,304,298
Allowance for uncollectible promises to give, 2017 campaign	(126,420)	-
Allowance for uncollectible promises to give, 2016 campaign	(124,625)	(125,478)
Allowance for uncollectible promises to give, 2015 campaign	<u>-</u>	<u>(128,025)</u>
Net unconditional campaign promises to give	<u>\$ 1,057,979</u>	<u>\$ 1,050,795</u>

The following is a schedule of unconditional grant promises to give as of March 31:

	2018	2017
Receivable in less than one year	\$ 155,000	\$ -
Receivable in one to five years	<u>600,000</u>	<u>-</u>
	755,000	-
Discounted to present value based on a discount rate of 2%	<u>(40,425)</u>	<u>-</u>
Net unconditional grant promises to give	<u>\$ 714,575</u>	<u>\$ -</u>

In 2017, the Organization received promises to give in the form of grants from the Community Foundation of the Holland/Zeeland Area and the Grand Haven Area Community Foundation in the amounts of \$500,000 and \$375,000, respectively. The funds are restricted for the Housing Next and Housing Initiative programs. The Organization must provide acknowledgment of funding sources in various promotional and publicity items, and interim progress reports to the foundations on the initiative's progress.

Leasehold Improvements, Building and Equipment

Leasehold improvements, building and equipment are carried at cost and the provision for depreciation is computed on the straight-line method over the estimated useful lives of the assets. Fixed assets that have a useful life over one year are capitalized.

GREATER OTTAWA COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets 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 restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are required to be measured at fair value in the statement of financial position.

Donor Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restriction.

If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

Donated Materials and Services

The value of donated services included in the financial statements and the corresponding expenses for the years ended March 31, 2018 and 2017 are as follows:

	2018	2017
Advertising	\$ 62,000	\$ 59,500
Printing and publications	458	442
Conferences	1,175	-
Events	10,726	1,727
Materials	5,403	1,680
Office furniture	<u>60,046</u>	<u>-</u>
Total in-kind contributions	<u>\$ 139,808</u>	<u>\$ 63,349</u>

Numerous individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. No amounts have been reflected in the financial statements for these services because they did not meet the criteria for recognition under FASB ASC 958-605-20, nor is a value for these services readily determined.

GREATER OTTAWA COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Tax Exempt Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, is not subject to federal or state income tax. Tax years 2014 through 2017, following administrative practice of taxing authorities, remain open and subject to review.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Costs are allocated between fundraising, general and administrative or the appropriate program based on evaluations of the related benefits. General and administrative 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.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31 of the prior year, from which the summarized information was derived.

Estimates

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

Advertising Costs

The Organization expenses all advertising costs as incurred.

Reclassifications

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

Subsequent Events

The Organization's management has evaluated events through June 21, 2018, the date on which the financial statements were available to be issued.

GREATER OTTAWA COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

2. Leasehold Improvements, Building and Equipment

The capitalized value of leasehold improvements, building and equipment, and related accumulated depreciation, at March 31 are as follows:

	2018	2017
Leasehold improvements	\$ 11,425	\$ 11,425
Office equipment	<u>170,103</u>	<u>100,060</u>
	181,528	111,485
Accumulated depreciation	<u>(96,179)</u>	<u>(92,005)</u>
Leasehold improvements, building and equipment, net	<u>\$ 85,349</u>	<u>\$ 19,480</u>

Depreciation expense for the years ended March 31, 2018 and 2017 was \$7,790 and \$8,820, respectively.

3. Fair Values of Assets

The Organization adopted the Financial Accounting Standards Board's (FASB) standard regarding Fair Value Measurements. The standard establishes 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. Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets valued using level 3 inputs are based on pricing models, discounted cash flow methodologies or similar techniques where at least one significant model assumption or input is unobservable. Level 3 financial instruments also include those for which the determination of fair value requires significant management judgment or estimation. Valuation techniques utilized to determine fair values are consistently applied.

Fair Value Measurements Using:

	Fair Value	Quoted Prices in Active Markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
March 31, 2018				
Fifth Third Investments Grand Haven Area Community Foundation	\$ 827,536 <u>331,514</u>	\$ 827,536 <u>-</u>	\$ - <u>-</u>	\$ - <u>331,514</u>
Total	<u>\$ 1,159,050</u>	<u>\$ 827,536</u>	<u>\$ -</u>	<u>\$ 331,514</u>
March 31, 2017				
Fifth Third Investments Grand Haven Area Community Foundation	\$ 1,001,310 <u>301,144</u>	\$ 1,001,310 <u>-</u>	\$ - <u>-</u>	\$ - <u>301,144</u>
Total	<u>\$ 1,302,454</u>	<u>\$ 1,001,310</u>	<u>\$ -</u>	<u>\$ 301,144</u>

GREATER OTTAWA COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

3. Fair Values of Assets (Continued)

The following is a summary of all investment income for the year:

	2018	2017
Investment income (loss):		
Ordinary	\$ 35,434	\$ 26,037
Fees	(3,253)	(1,531)
Realized	16,514	611
Unrealized	<u>65,915</u>	<u>99,162</u>
Total	<u>\$ 114,610</u>	<u>\$ 124,279</u>

Level 3 investments include pooled funds managed by Grand Haven Area Community Foundation on behalf of the Organization. The following is a summary of the activity of the level 3 investments as of March 31:

	2018	2017
Fair value, beginning	\$ 301,144	\$ 276,216
Ordinary income	6,668	3,438
Investment income:		
Realized	16,514	611
Unrealized	14,038	26,780
Management fees	(3,253)	(1,531)
Distributions	<u>(3,597)</u>	<u>(4,370)</u>
Fair value, ending	<u>\$ 331,514</u>	<u>\$ 301,144</u>

4. Designations Payable

Designations payable consist of the following as of March 31:

	2018	2017
Gross designations:		
Nonmember agencies	\$ 53,368	\$ 44,289
Other United Ways	146,603	70,413
Member agencies	<u>64,461</u>	<u>67,452</u>
	264,432	182,154
Designations paid by companies directly	(600)	(5,064)
Administrative fee	<u>(2,994)</u>	<u>(2,672)</u>
Total designations payable	<u>\$ 260,838</u>	<u>\$ 174,418</u>

5. Concentrations

2017 Campaign: Two companies' total corporate and employee pledges totaled 25% of the gross campaign revenue reported and 25% of the pledge receivable balance in the year ended March 31, 2018.

2016 Campaign: Two companies' total corporate and employee pledges totaled 23% of the gross campaign revenue reported and 22% of the pledge receivable balance in the year ended March 31, 2017.

GREATER OTTAWA COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

6. Leases

The Organization entered into a five year lease agreement for office space in Holland. The lease requires monthly payments of \$2,299 increasing by 2% every eighteen months. Monthly lease payments were \$2,299 for the year ended March 31, 2018. Lease payments are set to increase to \$2,345 on July 1, 2019. The lease expires December 31, 2019.

The Organization entered into a one year lease agreement for office space in Grand Haven commencing May 2017, which requires monthly payments of \$491. The lease was subsequently renewed through May 2019 with monthly payments of \$505.

The Organization is leasing a copy machine under a four year lease. The lease requires monthly payments of \$447 and expires June 2021.

The Organization is leasing a postage machine under a month-to-month lease. The lease requires payments of \$172 a quarter plus applicable sales and use taxes.

Total lease expense for the years ended March 31, 2018 and 2017 was \$37,693 and \$36,827 respectively.

Future minimum payments for non-cancelable leases are as follows as of March 31:

2019	\$ 39,402
2020	27,482
2021	5,364
2022	1,341

7. Retirement Plans

The Organization sponsors a 403(b) retirement savings plan for all employees of the Organization except those working less than 1,000 hours annually. Contributions to the plan are based upon 5% of eligible employee wages. The retirement plan contribution was \$29,234 and \$25,502 for the years ended March 31, 2018 and 2017, respectively.

8. Temporarily Restricted Net Assets

Temporarily restricted net assets are as follows:

	2018	2017
Gross campaign receipts of cash and pledges for future periods:		
Current year campaign	\$ 2,374,034	\$ 2,298,334
Donor designations	(267,038)	(207,035)
Allowance for uncollectible, 2017 campaign	(126,420)	-
Allowance for uncollectible, 2016 campaign	<u>-</u>	<u>(125,478)</u>
Total gross campaign receipts of cash and pledges for future periods	1,980,576	1,965,821
Grants and other income receipts of cash and pledges for future periods	<u>808,828</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$ 2,789,404</u>	<u>\$ 1,965,821</u>

GREATER OTTAWA COUNTY UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

9. Endowment Funds

During 1998, the Volunteer Center of Greater Ottawa County United Way, Inc. received funding of \$50,000 for the establishment of an endowment fund on its behalf at the Community Foundation of the Holland/Zeeland Area. The amounts contributed by donors to the endowment fund are owned and controlled by the Community Foundation and are not reflected on Greater Ottawa County United Way, Inc.'s statements of financial position. Greater Ottawa County United Way, Inc. is able to request on an annual basis a calculated amount from the earnings of the endowment fund to be used to fund the operations of the Volunteer Center. The fair market value of the endowment fund, as reported by the Community Foundation of the Holland/Zeeland Area, was \$182,362 and \$173,264 as of March 31, 2018 and 2017, respectively.

In July 2001, Greater Ottawa County United Way, Inc. established an endowment fund with the Community Foundation of the Holland/Zeeland Area. This fund was funded with a donation for the purpose of providing substance abuse services. The amounts contributed by the donor to the endowment fund are owned and controlled by the Community Foundation and are not reflected on Greater Ottawa County United Way, Inc.'s statements of financial position. Greater Ottawa County United Way, Inc. is able to request on an annual basis a calculated amount from the earnings of the endowment fund. The fair market value of the endowment fund, as reported by the Community Foundation of the Holland/Zeeland Area, was \$45,470 and \$43,201 as of March 31, 2018 and 2017, respectively.

In 1997, Greater Ottawa County United Way, Inc. established an endowment fund with the Grand Haven Area Community Foundation. The amounts contributed by third parties to the endowment fund are owned and controlled by the Community Foundation and are not reflected on Greater Ottawa County United Way, Inc.'s statements of financial position. Greater Ottawa County United Way, Inc. is able to request on an annual basis a calculated amount from earnings of the endowment. The fair market value of the endowment fund, as reported by the Grand Haven Area Community Foundation, was \$216,329 and \$208,104 as of March 31, 2018 and 2017, respectively.

GREATER OTTAWA COUNTY UNITED WAY, INC.
SCHEDULES OF PROGRAM EXPENSES
YEAR ENDED MARCH 31, 2018 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED 2017

	Community Investment	Lakeshore Housing Alliance	Students Live United	Volunteer Centers	Ottawa Housing Next	2018 Total	2017 Total
Salaries and related expenses:							
Salaries	\$ 144,831	\$ 59,839	\$ 12,503	\$ 86,872	\$ 19,792	\$ 323,837	\$ 291,584
Payroll taxes, insurance and retirement	44,594	16,536	2,461	29,660	5,330	98,581	83,408
Total salaries and related expenses	<u>189,425</u>	<u>76,375</u>	<u>14,964</u>	<u>116,532</u>	<u>25,122</u>	422,418	<u>374,992</u>
Operating expenses:							
Advertising	16,948	6,388	6,388	7,187	6,388	43,299	5,475
Conferences, conventions and meetings	3,196	2,217	123	1,368	227	7,131	3,969
Contract labor	518	-	-	-	4,000	4,518	-
Equipment maintenance and expense	5,206	8,498	2,608	5,902	3,990	26,204	21,734
Insurance	1,113	557	557	557	557	3,341	3,294
Membership dues	4,249	1,810	1,705	2,547	2,349	12,660	7,065
Mileage	1,275	706	601	1,502	513	4,597	4,735
Miscellaneous	1,884	-	81	78	50	2,093	389
Occupancy	7,474	3,738	3,738	3,738	3,738	22,426	22,320
Postage and shipping	114	40	88	642	-	884	4,031
Printing and publications	-	661	188	133	1,037	2,019	7,100
Professional fees	-	-	-	-	-	-	8,237
Special events and fundraising	62,916	12,506	1,219	8,017	12,195	96,853	79,429
Special projects	12,624	61	61	61	61	12,868	-
Supplies	453	251	159	172	125	1,160	1,107
Telephone	3,222	1,302	1,354	1,142	637	7,657	6,493
Total operating expenses	<u>121,192</u>	<u>38,735</u>	<u>18,870</u>	<u>33,046</u>	<u>35,867</u>	247,710	<u>175,378</u>
Campaign expenses:							
Allocations	1,140,384	-	-	-	-	1,140,384	1,252,971
Designations	267,038	-	-	-	-	267,038	207,035
Total campaign expenses	<u>1,407,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	1,407,422	<u>1,460,006</u>
Total program expenses	<u>\$ 1,718,039</u>	<u>\$ 115,110</u>	<u>\$ 33,834</u>	<u>\$ 149,578</u>	<u>\$ 60,989</u>	\$ 2,077,550	<u>\$ 2,010,376</u>

See notes to financial statements