FOND DU LAC AREA UNITED WAY, INC.

AUDITED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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THE
VANDERBLOEMEN
GROUP LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Fond du Lac Area United Way, Inc.

We have audited the accompanying financial statements of Fond du Lac Area United Way, Inc. (a nonprofit organization), 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.

215 W. North Street • Waukesha, WI 53188
P: 262-574-0374 • F: 262-574-0369 • www.vanderbloemengroup.com

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 Fond du Lac Area United Way, 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.

The VanderBloemen Group LLC

Certified Public Accountants
Fond du Lac, Wisconsin
August 26, 2019

FOND DU LAC AREA UNITED WAY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 299,032	$ 487,399
Unconditional promises to give, less allowance for uncollectible promises to give of $38,754 and $40,964	177,807	294,886
Agency fund receivable - SPROUT	2,188	–
Investments	136,604	–
Prepaid expenses	750	4,572
Security deposit	750	750
Total Current Assets	617,131	787,607
Property and Equipment, net	1,393	2,514
Other Assets:		
Operational endowment	140,217	152,328
Total Assets	$ 758,741	$ 942,449
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 11,790	$ 5,921
Accrued liabilities	4,786	5,610
Agency fund payable - SPROUT	–	3,942
Current portion of capital lease payable	599	1,090
Total Current Liabilities	17,175	16,563
Capital Lease Payable, less current maturities	–	599
Total Liabilities	17,175	17,162
Net Assets:		
Without donor restrictions:		
Board designated	172,396	186,353
Undesignated	69,652	169,029
Total Unrestricted	242,048	355,382
With donor restrictions:		
Current year campaign contributions	499,518	569,905
Total Net Assets	741,566	925,287
Total Liabilities and Net Assets	$ 758,741	$ 942,449

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

FOND DU LAC AREA UNITED WAY, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:						
Contributions:						
2018 campaign revenue	$ -	$ 499,518	$ 499,518	$ -	$ -	$ -
2017 campaign revenue	115,627		115,627	-	569,905	569,905
2016 campaign revenue, less allowance and shortfalls	-	-	-	86,405	-	86,405
Total Contributions	115,627	499,518	615,145	86,405	569,905	656,310
Donor desingnation fees	563	-	563	684	-	684
Fundraisers	(12,477)	-	(12,477)	3,245	-	3,245
Endowment income (loss)	(12,112)	-	(12,112)	20,988	-	20,988
Investment income (loss)	(13,400)	-	(13,400)	-	-	-
Interest income	263	-	263	322	-	322
Miscellaneous income	10,556	-	10,556	17,234	-	17,234
Net assets released from restrictions	569,905	(569,905)	-	623,073	(623,073)	-
Total Revenues and Other Support	658,925	(70,387)	588,538	751,951	(53,168)	698,783
Expenses:						
Program services:						
Community services	26,509	-	26,509	14,875	-	14,875
United Youth allocations	9,000	-	9,000	6,310	-	6,310
Agency allocations	548,342	-	548,342	562,332	-	562,332
Total program services	583,851	-	583,851	583,517	-	583,517
Management and general	59,665	-	59,665	52,276	-	52,276
Fundraising	128,743	-	128,743	118,937	-	118,937
Total Expenses	772,259	-	772,259	754,730	-	754,730
Change in Net Assets	(113,334)	(70,387)	(183,721)	(2,779)	(53,168)	(55,947)
Net Assets:						
Beginning of year	355,382	569,905	925,287	358,161	623,073	981,234
End of year	$ 242,048	$ 499,518	$ 741,566	$ 355,382	$ 569,905	$ 925,287

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

FOND DU LAC AREA UNITED WAY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018				2017			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	$ 9,167	$ 16,575	$ 51,836	$ 77,578	$ 9,024	$ 17,338	$ 52,275	$ 78,637
Payroll taxes	962	1,603	3,847	6,412	977	1,629	3,909	6,515
Employee benefits	2,337	4,675	2,337	9,349	2,282	4,562	2,282	9,126
Insurance	354	1,417	1,772	3,543	252	1,007	1,260	2,519
Rent	900	3,600	4,500	9,000	900	3,600	4,500	9,000
Postage	38	77	268	383	184	368	1,288	1,840
Office supplies and expense	581	581	4,647	5,809	290	290	2,318	2,898
Campaign expense	-	-	48,004	48,004	-	-	43,491	43,491
Membership dues	-	18,218	2,024	20,242	-	13,238	1,471	14,709
Repairs and maintenance	-	5,627	5,626	11,253	-	2,428	2,428	4,856
Conventions, conferences and meetings	(163)	(261)	(228)	(652)	128	205	180	513
Equipment rental	43	87	304	434	76	152	532	760
Printing and publications	24	24	187	235	50	50	400	500
Professional services	-	5,700	-	5,700	-	5,700	-	5,700
Community needs assessment	11,231	-	-	11,231	-	-	-	-
Telephone	718	359	2,515	3,592	428	214	1,497	2,139
Auto expense	93	93	281	467	60	60	180	300
Parking	-	380	-	380	-	336	-	336
Utilities	-	270	-	270	-	227	-	227
Depreciation	224	280	617	1,121	224	280	617	1,121
Miscellaneous	-	207	206	413	-	309	309	618
Interest	-	153	-	153	-	283	-	283
	26,509	59,665	128,743	214,917	14,875	52,276	118,937	186,088
United Youth allocations	9,000	-	-	9,000	6,310	-	-	6,310
Agency allocations	548,342	-	-	548,342	562,332	-	-	562,332
	$ 583,851	$ 59,665	$ 128,743	$ 772,259	$ 583,517	$ 52,276	$ 118,937	$ 754,730

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

FOND DU LAC AREA UNITED WAY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash Flows from Operating Activities:		
Change in net assets	$ (183,721)	$ (55,947)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,121	1,121
Realized (gain) loss on investments	(3,878)	(7,565)
Unrealized (gain) loss on investments	37,423	(11,774)
Provision for uncollectible promises to give	(2,210)	437
Effects of changes in operating assets and liabilities:		
Unconditional promises to give	119,289	(21,959)
Agency fund receivable - SPROUT	(2,388)	–
Prepaid expenses	3,822	(3,387)
Accounts payable	5,869	(1,406)
Accrued liabilities	(824)	308
Agency fund payable - SPROUT	(3,942)	2,265
Net Cash Flows from (used in) Operating Activities	(29,439)	(97,907)
Cash Flows from Investing Activities:		
Acquisition of investments	(177,490)	(60,221)
Proceeds from sale of investments	19,652	58,572
Net Cash Flows from (used in) Investing Activities	(157,838)	(1,649)
Cash Flows from Financing Activities:		
Payments on capital lease	(1,090)	(960)
Net Cash Flows from (used in) Financing Activities	(1,090)	(960)
Net Change in Cash and Cash Equivalents	(188,367)	(100,516)
Cash and Cash Equivalents:		
Beginning of year	487,399	587,915
End of year	$ 299,032	$ 487,399

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fond du Lac Area United Way, Inc. (the "Organization") located in Fond du Lac, Wisconsin, is a nonprofit organization that is committed to providing leadership to impact the human care agenda in the community.

A summary of the Organization's significant accounting policies applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

Cash and cash equivalents includes all highly liquid investments with an initial maturity of three months or less. The Organization maintains its cash balances in various banks that may at times exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances.

Promises to Give

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

The Fond du Lac Area United Way, Inc. provides for losses on promises to give using the allowance method. The allowance is based on 4% of total campaign revenue for 2018 and 2017. It is the Organization's policy to charge off uncollectible promises to give when management determines the contribution will not be collected. Management has determined that the allowance for December 31, 2018 and 2017 is $38,754 and $40,964, respectively.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at approximate fair value at date of donation. The Organization has adopted a policy to capitalize fixed assets with a cost of $500 or greater. Maintenance and repairs are charged to operations as incurred and renewals and betterments are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives as follows:

Office equipment	5 - 10 years

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - net assets available for use in general operation and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - net assets subject to donor- (or certian grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Fair Value Measurements

In accordance with accounting standards, the Organization defines fair value as the exchange price (an exit price) that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Accounting standards establish a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted market prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Promises Receivable and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Promises Receivable and Revenue Recognition - Continued

All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as Net Assets Released from Restrictions.

In-Kind Support

The Organization records various types of in-kind support including advertising, printing and supplies. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by a like amount included in expenses.

Additionally, contributed services are recognized as contributions in accordance with generally accepted accounting standards. The Organization recognizes revenue if the services (a) create or enhance non-financial assets or (b) require special skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services received throughout the year were recognized as contributions in the financial statements since the recognition criteria under accounting standards was met. Accordingly, the value of this in-kind support amounted to $30,065 and $26,817 for the years ended December 31, 2018 and 2017, respectively.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization has been classified as an other-than private foundation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization is subject to a tax on income from any unrelated business.

The Organization has adopted *Accounting for Uncertainty In Income Taxes*, ASC 740-10. The Organization's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. Tax years ending December 31, 2015 and after are currently open to potential audits. The adoption of ASC 740-10 did not have a material effect on its financial position, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2018 and 2017.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. The Organization considers the value of the allowance for uncollectible pledges receivable to be a significant estimate subject to change. Actual results may differ from these estimates.

Accounting Standard Updates

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Organization adopted this standard on January 1, 2018. Accordingly, the required presentation and disclosure changes have been retrospectively applied to the prior period presented as if the policy had been used in that year.

In June 2018, the FASB issued ASU 2018-08 to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The guidance is required to be applied by the Organization for the year ending March 31, 2020. The Organization is currently evaluating the impact this guidance will have on its financial statements.

NOTE B - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following at December 31:

	2018	2017
2018 Campaign	$ 154,031	$ –
2017 Campaign	62,530	257,537
2016 Campaign	–	78,313
	216,561	335,850
Less allowance for uncollectible promises to give	(38,754)	(40,964)
	$ 177,807	$ 294,886

The Organization typically ends collecting on a campaign two years after the campaign was closed. At that time, outstanding promises to give are written off against the allowance for uncollectible promises to give, resulting in a net gain or write off which is reflected in contribution revenue. The net (gain) loss recognized during the years ended December 31:

	2018	2017
2016 outstanding promises to give	$ 39,747	$ –
2015 outstanding promises to give	–	27,479
Less allowance for uncollectible promises to give	(10,964)	(10,127)
	$ 28,783	$ 17,352

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2018	2017
Office equipment	$ 32,330	$ 32,330
Less accumulated depreciation	(30,937)	(29,816)
	$ 1,393	$ 2,514

Asset acquired through capital lease is as follows:

Office equipment	$ 3,879	$ 3,879
Less accumulated depreciation	(3,280)	(2,005)
	$ 599	$ 1,874

NOTE D - OPERATIONAL ENDOWMENT

Fond du Lac Area United Way, Inc.'s endowment consists of one, board designated fund for operational purposes. As required by Generally Accepted Accounting Principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of Fond du Lac Area United Way, Inc. has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (WUPMIFA) as requiring the preservation of historic dollar value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary.

In accordance with WUPMIFA, the Board of Directors considers the following factors in making a determination to appropriate appreciation, make and/or retain investments, and to delegate investment management:

- The long- and short-term needs of Fond du Lac Area United Way, Inc. to carry out its purpose,
- Funds shall be frozen until the level of funds has reached $100,000,
- The present and anticipated financial requirements of Fond du Lac Area United Way, Inc.,
- The expected total return on investments,
- Price level trends, and
- General economic conditions.

Endowment Net Asset Composition by Type of Fund as of December 31:

	2018	2017
	Unrestricted	Unrestricted
Board designated	$ 140,217	$ 152,328

NOTE D - OPERATIONAL ENDOWMENT - Continued

Changes in Endowment Net Assets for the Years Ended December 31:

	2018 Unrestricted	2017 Unrestricted
Endowment net assets, beginning of year	$ 152,328	$ 131,340
Appropriation for expenditure	-	-
Investment return:		
Investment income:		
Interest and dividends	3,345	2,983
Investment and trustee fees	(1,422)	(1,334)
Net appreciation (depreciation):		
Net realized gain (loss)	3,562	7,565
Net unrealized gain (loss)	(17,596)	11,774
	$ 140,217	$ 152,328

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor of WUPMIFA requires Fond du Lac Area United Way, Inc. to retain as a fund of perpetual duration. There were no such deficiencies for the years ended December 31, 2018 and 2017.

Return Objectives and Risk Parameters

Fond du Lac Area United Way, Inc. has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historical dollar value of the endowment assets. Endowment assets must include a minimum of 40% and a maximum of 70% in stocks such as mutual funds and equities. Endowment assets also must include a minimum of 20% and a maximum of 60% in fixed income such as bonds and bond funds. Cash held has no minimum requirement but cannot exceed 15%. Funds also cannot be held in individual stock funds unless there is approval by the Board of Directors. Fond du Lac Area United Way, Inc. expects its endowment funds, over time, to provide a rate of return that exceeds the growth in consumer prices by an average of 3-4% annually over a full market cycle and over a significant number of calendar years (5 years minimum). Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Fond du Lac Area United Way, Inc. relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Fond du Lac Area United Way, Inc. targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

NOTE D - OPERATIONAL ENDOWMENT - Continued

Spending Policy and How the Investment Objectives Relate to Spending Policy

Fond du Lac Area United Way, Inc.'s policy states the funds in the endowment shall remain frozen until such time that the level of funds has grown to $100,000. If needed, a resolution authorizing the withdrawal of funds must pass by a two-third vote of the entire Board of Directors.

NOTE E - CAPITAL LEASE PAYABLE

Capital lease payable consists of the following on December 31:

	2018	2017
Payable to leasing company, secured by office equipment, due in monthly installments of $104 including principal and interest at 12.76%, through June 2019. Payment amount includes monthly maintenance and copier supplies.	$ 599	$ 1,689
		1,689
Less current maturities	(599)	(1,090)
	$ -	$ 599

Long-term liabilities under the capital lease are as follows:

2019	$ 622
Total minimum lease payments	
Less: amount representing interest	(23)
Present value of minimum lease payments	$ 599

NOTE F - BOARD DESIGNATED NET ASSETS

Board designated net assets consist of the following at December 31:

	2018	2017
Technology	$ 4	$ 4
United Youth program	1,605	(250)
Venture fund	2,062	2,062
Operational endowment	140,217	152,328
Future campaign contributions	10,000	10,000
Fond du Lac Area disaster relief	671	837
Golf event	12,725	12,725
Eleanor Mortinson fund	755	755
Southeast Wisconsin healthcare emergency	2,729	2,729
Volunteer Center grant	3,149	5,650
Born Learning Trail	1,379	(487)
Community Special Initiative	(2,900)	-
	$ 172,396	$ 186,353

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purpose at December 31:

	2018	2017
Subject to the passage of time:		
Current year campaign revenue	$ 499,518	$ 569,905

NOTE H - FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets measured at fair value.

Quoted market prices are used to determine the fair value of investments in publicly traded equity securities (common and preferred stock). Money market funds, common stocks, corporate bonds and mutual funds are valued using quotes from pricing vendors based on recent trading activity and other observable market data.

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

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31:

	2018			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 10,148	$ –	$ –	$ 10,148
Mutual funds	218,200	–	–	218,200
Exchange-traded products	48,473	–	–	48,473
	$ 276,821	$ –	$ –	$ 276,821

	2017			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 5,035	$ –	$ –	$ 5,035
Mutual funds	147,293	–	–	147,293
	$ 152,328	$ –	$ –	$ 152,328

There were no assets or liabilities measured at fair value on a nonrecurring basis as of December 31, 2018 or 2017.

FOND DU LAC AREA UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE I - LIQUIDITY AND AVAILABILITY

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 the following at December 31:

	2018	2017
Cash and cash equivalents	$ 299,032	$ 487,399
Unconditional promises to give - net	177,807	294,886
Investments	136,604	–
Operational endowment	140,217	152,328
Subtotal	753,660	934,613
Less: Board designated net assets	(172,396)	(186,353)
Less: Donor restricted net assets	(499,518)	(569,905)
Total Financial Assets Available for General Expenditure	$ 81,746	$ 178,355

Income from donor restricted funds is restricted for specific purposes, with the exception of amounts available for general use. Donor restricted funds are not available for general expenditure. Although we do not intend to spend principal from the board designated funds, these amounts could be made available if necessary.

NOTE J - OPERATING LEASES

The Organization rents office facilities on a month-to-month basis. Under the agreement, the Organization is required to make monthly rent payments of $750.

Total rent expense was $9,434 and $9,760 for the years ended December 31, 2018 and 2017, respectively.

NOTE K - CASH FLOW DISCLOSURES

The Organization financed the acquisition of office equipment through a capital lease totaling $3,879 during the year ended December 31, 2015.

Cash paid for interest was $153 and $283 for the years ended December 31, 2018 and 2017, respectively.

NOTE L - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through August 26, 2019, the date on which the financial statements were available to be issued.