United Way of Central Illinois, Inc.

Financial Report
December 31, 2018

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RSM US LLP

Independent Auditor's Report

Board of Directors
United Way of Central Illinois, Inc.

Report on the Financial Statements
We have audited the accompanying financial statements of United Way of Central Illinois, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2018 and 2017, 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.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Central Illinois, Inc. as of December 31, 2018 and 2017, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

Springfield, Illinois
October 14, 2019

United Way of Central Illinois, Inc.

Statements of Financial Position
December 31, 2018 and 2017

	2018	2017
Assets		
Cash	**$ 667,521**	$ 737,091
Contributions receivable, less allowance for uncollectible pledges 2018 $186,000; 2017 $214,282	**927,167**	1,044,361
Prepaid expenses	**-**	12,755
Investments	**5,711,053**	6,359,236
Property and equipment, net	**84,208**	88,139
Beneficial interest in perpetual trusts	**190,589**	218,172
Funds held for others	**43,690**	57,525
Total assets	**$ 7,624,228**	$ 8,517,279
Liabilities and Net Assets		
Liabilities:		
Accounts payable	**$ 13,136**	$ 6,878
Accrued expenses	**33,202**	34,441
Allocations payable	**769,574**	753,652
Designations payable	**327,846**	349,491
Funds held for others	**43,690**	57,525
Total liabilities	**1,187,448**	1,201,987
Commitments (Note 7)		
Net assets:		
Without donor restrictions:		
Designated for equipment replacement	**28,937**	28,937
Designated for Dolly Parton Imagination Library	**29,424**	33,721
Designated for Continuum of Learning Fund	**58,805**	59,125
Designated for Needs Assessment Fund	**12,000**	15,000
Designated for Venture Fund	**37,978**	51,162
Undesignated	**4,827,564**	5,557,614
Total without donor restrictions	**4,994,708**	5,745,559
With donor restrictions	**1,442,072**	1,569,733
Total net assets	**6,436,780**	7,315,292
Total liabilities and net assets	**$ 7,624,228**	$ 8,517,279

See notes to financial statements.

United Way of Central Illinois, Inc.

Statement of Activities
Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:			
Gross campaign results (2017/2018)	$ 854,719	$ -	$ 854,719
Gross campaign results in prior year - released from restriction	1,721,414	(1,721,414)	-
Less donor designations	(453,779)	267,718	(186,061)
(Provision for) recovery of uncollectible	(105,281)	108,000	2,719
Total campaign results (2017/2018)	2,017,073	(1,345,696)	671,377
Gross campaign results (2018/2019)	-	1,581,791	1,581,791
Less donor designations	-	(258,173)	(258,173)
Less provision for uncollectible	-	(78,000)	(78,000)
Net campaign revenue (2018/2019)	-	1,245,618	1,245,618
Investment return, net	(263,808)	-	(263,808)
Change in beneficial interest in perpetual trusts	-	(27,583)	(27,583)
Miscellaneous income	70,903	-	70,903
	(192,905)	(27,583)	(220,488)
Total public support and revenue	1,824,168	(127,661)	1,696,507
Expenses:			
Program services:			
Gross funds allocated to human service agencies, venture grants and community support	2,354,494	-	2,354,494
Less donor designations	(703,421)	-	(703,421)
Net funds allocated to human service agencies	1,651,073	-	1,651,073
Community impact/fund distribution	496,509	-	496,509
Total program services	2,147,582	-	2,147,582
Supporting services:			
Fund raising	218,312	-	218,312
Marketing and communications	17,836	-	17,836
Finance and administration	191,289	-	191,289
Total supporting services	427,437	-	427,437
Total expenses	2,575,019	-	2,575,019
Change in net assets	(750,851)	(127,661)	(878,512)
Net assets:			
Beginning	5,745,559	1,569,733	7,315,292
Ending	$ 4,994,708	$ 1,442,072	$ 6,436,780

See notes to financial statements.

United Way of Central Illinois, Inc.

Statement of Activities
Year Ended December 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:			
Gross campaign results (2016/2017)	$ 1,061,413	$ -	$ 1,061,413
Gross campaign results in prior year - released from restriction	1,593,819	(1,593,819)	-
Less donor designations	(446,051)	314,271	(131,780)
(Provision for) recovery of uncollectible	(105,496)	75,609	(29,887)
Total campaign results (2016/2017)	2,103,685	(1,203,939)	899,746
Gross campaign results (2017/2018)	-	1,721,414	1,721,414
Less donor designations	-	(267,718)	(267,718)
Less provision for uncollectible	-	(108,000)	(108,000)
Net campaign revenue (2017/2018)	-	1,345,696	1,345,696
Investment return, net	881,806	-	881,806
Change in beneficial interest in perpetual trusts	-	20,590	20,590
Miscellaneous income	54,953	-	54,953
	936,759	20,590	957,349
Total public support and revenue	3,040,444	162,347	3,202,791
Expenses:			
Program services:			
Gross funds allocated to human service agencies, venture grants and community support	2,372,149	-	2,372,149
Less donor designations	(726,880)	-	(726,880)
Net funds allocated to human service agencies	1,645,269	-	1,645,269
Community impact/fund distribution	351,716	-	351,716
Total program services	1,996,985	-	1,996,985
Supporting services:			
Fund raising	200,057	-	200,057
Marketing and communications	32,469	-	32,469
Finance and administration	233,261	-	233,261
Total supporting services	465,787	-	465,787
Total expenses	2,462,772	-	2,462,772
		-	
Change in net assets	577,672	162,347	740,019
Net assets:			
Beginning	5,167,887	1,407,386	6,575,273
Ending	$ 5,745,559	$ 1,569,733	$ 7,315,292

See notes to financial statements.

United Way of Central Illinois, Inc.

Statement of Functional Expenses
Year Ended December 31, 2018

	Program Services			Other Functional Expenses (or Supporting Services)				
	Allocation Services	Community Impact/Fund Distribution	Total	Fund Raising	Marketing and Communications	Finance and Administration	Total	Total
Salaries	$ -	$ 200,114	$ 200,114	$ 92,385	$ 5,169	$ 82,086	$ 179,640	$ 379,754
Payroll taxes	-	14,908	14,908	7,366	441	8,160	15,967	30,875
Employee benefits	-	28,278	28,278	13,972	837	15,477	30,286	58,564
Personnel search	-	3,036	3,036	1,500	90	1,661	3,251	6,287
	-	246,336	246,336	115,223	6,537	107,384	229,144	475,480
Professional fees	-	62,942	62,942	32,812	-	45,406	78,218	141,160
Office supplies	-	1,673	1,673	920	247	1,500	2,667	4,340
SECA budget	-	623	623	8,660	-	159	8,819	9,442
Telephone	-	1,787	1,787	987	316	908	2,211	3,998
Postage	-	1,532	1,532	866	277	1,242	2,385	3,917
Occupancy	-	25,129	25,129	14,278	4,569	8,352	27,199	52,328
Occupancy maintenance and real estate taxes	-	13,853	13,853	7,871	2,519	7,242	17,632	31,485
Equipment maintenance	-	1,178	1,178	669	214	616	1,499	2,677
Subscriptions	-	611	611	120	38	110	268	879
Marketing and advertising	-	17,215	17,215	40	2,506	-	2,546	19,761
Travel	-	1,327	1,327	1,118	-	349	1,467	2,794
Meetings	-	1,736	1,736	111	4	43	158	1,894
Community reports and celebration		9,469	9,469	-	-	194	194	9,663
Conference and trainings	-	4,373	4,373	80	-	51	131	4,504
Campaign supplies/printing	-	968	968	9,496	-	371	9,867	10,835
Special events	-	11,202	11,202	9,105	609	-	9,714	20,916
Award supplies	-	541	541	250	-	401	651	1,192
Local organization dues	-	7,397	7,397	115	-	124	239	7,636
State and national dues	-	995	995	498	-	537	1,035	2,030
United Way Worldwide dues	-	15,724	15,724	8,190	-	8,845	17,035	32,759
Digital services		50,000	50,000	-	-	-	-	50,000
Software licenses	-	11,341	11,341	2,542	-	2,745	5,287	16,628
Insurance expense	-	3,747	3,747	1,952	-	2,108	4,060	7,807
Bank and filing fees	-	1,355	1,355	610	-	659	1,269	2,624
	-	246,718	246,718	101,290	11,299	81,962	194,551	441,269
Depreciation expense	-	3,455	3,455	1,799	-	1,943	3,742	7,197
Total operations	-	496,509	496,509	218,312	17,836	191,289	427,437	923,946
Allocations to agencies, venture grants and community support	2,354,494	-	2,354,494	-	-	-	-	2,354,494
Less donor designations	(703,421)	-	(703,421)	-	-	-	-	(703,421)
Net funds allocated	1,651,073	-	1,651,073	-	-	-	-	1,651,073
Total expenses	$ 1,651,073	$ 496,509	$ 2,147,582	$ 218,312	$ 17,836	$ 191,289	$ 427,437	$ 2,575,019

See notes to financial statements.

United Way of Central Illinois, Inc.

Statement of Functional Expenses
Year Ended December 31, 2017

	Program Services			Other Functional Expenses (or Supporting Services)				
	Allocation Services	Community Impact/Fund Distribution	Total	Fund Raising	Marketing and Communications	Finance and Administration	Total	Total
Salaries	$ -	$ 163,784	$ 163,784	$ 89,118	$ 27,183	$ 63,999	$ 180,300	$ 344,084
Payroll taxes	-	4,893	4,893	7,141	4,296	12,119	23,556	28,449
Employee benefits	-	12,205	12,205	22,999	635	34,710	58,344	70,549
Personnel search	-	-	-	-	-	5,342	5,342	5,342
	-	180,882	180,882	119,258	32,114	116,170	267,542	448,424
Professional fees	-	62,864	62,864	10,972	-	55,248	66,220	129,084
Office supplies	-	1,506	1,506	684	-	614	1,298	2,804
SECA budget	-	-	-	11,350	-	-	11,350	11,350
Telephone	-	2,190	2,190	931	-	559	1,490	3,680
Postage	-	2,487	2,487	1,128	-	1,008	2,136	4,623
Occupancy	-	33,752	33,752	14,926	-	10,330	25,256	59,008
Occupancy maintenance and real estate taxes	-	17,300	17,300	7,652	-	5,292	12,944	30,244
Equipment maintenance	-	1,557	1,557	689	-	476	1,165	2,722
Subscriptions	-	387	387	171	-	133	304	691
Marketing and advertising	-	18,000	18,000	2,962	-	42	3,004	21,004
Travel	-	756	756	1,300	338	1,544	3,182	3,938
Meetings	-	983	983	237	17	1,233	1,487	2,470
Annual meeting	-	9,008	9,008	-	-	109	109	9,117
Conference and trainings	-	301	301	3,525	-	-	3,525	3,826
Campaign supplies/printing	-	570	570	9,795	-	-	9,795	10,365
Special events	-	13,562	13,562	11,096	-	-	11,096	24,658
Award supplies	-	-	-	279	-	192	471	471
Local organization dues	-	1,285	1,285	80	-	821	901	2,186
State and national dues	-	-	-	-	-	1,850	1,850	1,850
United Way Worldwide dues	-	-	-	-	-	20,224	20,224	20,224
Insurance expense	-	916	916	397	-	13,953	14,350	15,266
Bank and filing fees	-	641	641	233	-	2,362	2,595	3,236
Equipment purchases	-	615	615	1,100	-	239	1,339	1,954
	-	168,680	168,680	79,507	355	116,229	196,091	364,771
Depreciation expense	-	2,154	2,154	1,292	-	862	2,154	4,308
Total operations	-	351,716	351,716	200,057	32,469	233,261	465,787	817,503
Allocations to agencies, venture grants and community support	2,372,149	-	2,372,149	-	-	-	-	2,372,149
Less donor designations	(726,880)	-	(726,880)	-	-	-	-	(726,880)
Net funds allocated	1,645,269	-	1,645,269	-	-	-	-	1,645,269
Total expenses	$ 1,645,269	$ 351,716	$ 1,996,985	$ 200,057	$ 32,469	$ 233,261	$ 465,787	$ 2,462,772

See notes to financial statements.

United Way of Central Illinois, Inc.

Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	**$ (878,512)**	$ 740,019
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	**7,197**	4,308
Realized and unrealized loss (gain) on investments	**387,180**	(758,161)
Reserve for uncollectible pledges	**75,281**	137,887
Changes in assets and liabilities:		
Decrease (increase) in:		
Contributions receivable	**41,913**	(221,196)
Other receivables and prepaid expenses	**12,755**	5,992
Beneficial interest in perpetual trusts	**27,583**	(20,590)
Increase (decrease) in:		
Accounts payable and accrued expenses	**5,019**	(14,545)
Allocations payable	**15,922**	31,131
Designations payable	**(21,645)**	(59,006)
Net cash used in operating activities	**(327,307)**	(154,161)
Cash flows from investing activities:		
Proceeds from sales of investments	**1,764,391**	1,012,908
Purchases of investments	**(1,503,388)**	(819,780)
Purchase of property and equipment	**(3,266)**	-
Net cash provided by investing activities	**257,737**	193,128
Net change in cash and cash equivalents	**(69,570)**	38,967
Cash:		
Beginning	**737,091**	698,124
Ending	**$ 667,521**	$ 737,091

See notes to financial statements.

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of operations: The United Way of Central Illinois, Inc. (the Organization) is a not-for-profit corporation organized to promote community planning by developing and allocating human and financial resources that meet priority health and human service needs. The stated mission of the Organization is "… mobilizing resources to meet community needs." The Organization also provides services directly to the community and certified agencies through its staff and group of volunteers.

The following is the summary of the Organization's significant accounting policies:

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenue, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates. Significant estimates to the financial statements include the allowance for uncollectible pledges, fair value of investments, and fair value of beneficial interest in perpetual trusts.

Net asset classifications: The financial statements report the changes in, and total of, the net asset classes based upon donor restrictions, as applicable. Net assets are to be classified as net assets with donor restrictions and net assets without donor restrictions.

The following classes of net assets are maintained:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature, those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds to be maintained in perpetuity.

Investments: The Organization carries all investments in debt and equity securities with readily determinable fair values at fair value, with changes in fair value reported as investment return in the statements of activities.

Functional expenses: The costs of providing program and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated amongst program services and other functional expenses. Such allocations are determined by management.

Income taxes: The Organization is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The Organization is not considered to be a private foundation.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements.

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

Contributions receivable and allocations payable: Pledges for contributions are recorded as assets and with donor restriction revenue when the pledges are received. Balances are carried at original pledged amounts less an estimate made for uncollectible pledges based on management's review of all outstanding amounts. Management determines the allowance for uncollectible pledges by using historical experience applied to the campaign total. Pledge receivables are written off when deemed uncollectible. Allocations to member agencies are recognized as expenses in the period such allocations are made, generally the following year. Allocations are generally paid on a monthly installment basis throughout the year.

Donor-designated pledges: Pledges for which the donor stipulates the agency to receive the donation are recorded as assets (contributions receivable) and liabilities (designations payable) when the pledges are received.

Property and equipment: Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost. The Organization provides for depreciation on the straight-line method at rates designed to depreciate the costs of assets over estimated useful lives as follows:

	Years
Leasehold improvements	39
Furnishing and equipment	3 - 10

Leasehold improvements are depreciated over the shorter of their estimated useful lives or the respective lease term.

Beneficial interest in perpetual trusts: At December 31, 2018, the Organization is the beneficiary of a donor-established perpetual trust, which is administered by a third party. Under the terms of the trust, the Organization has the irrevocable right to receive the income earned on the assets held in the third-party trust in perpetuity, but never receives the assets held in trust. The beneficial interest is reported as net assets with donor restrictions. The trust annually makes distributions of income to the Organization. The Organization's beneficial interest in the trust is carried at the fair value of the underlying assets as provided by the third-party administrator. Subsequent changes in the carrying value of the beneficial interests are reported in the statement of activities for that period.

Support and revenue: The Organization reports gifts of cash and other assets as with donor restriction support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restriction. No restrictions are implied on the use of long-lived assets received without donor stipulations concerning how long the assets must be used.

Contributed services are recognized when the Organization would typically purchase such services if they require specialized skills and the contributor possesses such skills.

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

Pending accounting pronouncements: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Organization has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The standard is effective for the Organization’s fiscal year ending December 31, 2020, with early adoption permitted. The Organization is in the process of evaluating the impact of this new guidance. In July 2018, the FASB issued ASU 2018-10, *Codification Improvements to Topic 842, Leases*, which makes narrow scope improvements to the standard for specific issues. In July 2018, the FASB also issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which provides an optional transition method allowing the standard to be applied at the adoption date.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. ASU 2016-15 is effective for the Organization’s fiscal year ending December 31, 2019. Early adoption is permitted. ASU 2016-15 requires a retrospective transition method. However, if it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable. The Organization is currently evaluating the impact the adoption of this guidance will have on its statement of cash flows.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash.* ASU 2016-18 applies to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows. Its provisions require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The new standard will be effective for the Organization’s December 31, 2019, financial statements. Early adoption is permitted. ASU 2016-18 requires a retrospective transition method. The Organization is currently evaluating the effect of the new standard on the financial statements.

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

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. Where the Organization is the resource recipient, the ASU is applicable to contributions received for the fiscal year ending December 31, 2019. Where the Organization is a resource provider, the ASU is effective for the fiscal year ending December 31, 2020. Early adoption is permitted. The Organization is currently evaluating the impact of the adoption of this guidance on its financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. ASU 2018-13 removes certain disclosures, modifies certain disclosures and adds additional disclosures. The ASU will be effective for the Organization's December 31, 2020, financial statements. Certain disclosures in ASU 2018-13 would need to be applied on a retrospective basis and others on a prospective basis. The Organization is currently evaluating the effect of the new standard on the financial statements.

Reclassifications: Certain reclassifications have been made, with no effect on change in net assets or net assets, to balances for the year ended December 31, 2017, to be consistent with classifications adopted for the year ended December 31, 2018.

Subsequent events: All of the effects of subsequent events that provide additional evidence about conditions that existed at the financial statement date, including the estimates inherent in the process of preparing the financial statements, are recognized in the financial statements. The Organization does not recognize subsequent events that provide evidence about conditions that did not exist at the financial statement date but arose after, but before the financial statements are available to be issued. In some cases, non-recognized subsequent events are disclosed to keep the financial statements from being misleading.

The Organization has evaluated subsequent events through October 14, 2019, the date on which the financial statements were available to be issued.

Note 2. Concentration of Credit Risk

The Organization maintains cash accounts in several financial institutions in amounts which, from time to time, may exceed the Federal Deposit Insurance Corporation insurance limit. The Organization has not experienced any losses as a result of these concentrations and does not believe it is exposed to any significant credit risk on these balances.

Note 3. Availability and Liquidity

The following represents the Organization's financial assets at December 31, 2018 and 2017:

	2018	2017
Financial assets at year end:		
Cash	$ 667,521	$ 737,091
Contributions receivable	927,167	1,044,361
Investments	5,711,053	6,359,236
Beneficial interest in perpetual trusts	190,589	218,172
Funds held for others	43,690	57,525
Total financial assets	7,540,020	8,416,385
Less amounts not available to be used within one year:		
Beneficial interest in perpetual trusts	190,589	218,172
Funds held for others	43,690	57,525
Board designations	167,144	187,945
	401,423	463,642
Financial assets available to meet general expenditures over the next twelve months	$ 7,138,597	$ 7,952,743

The Organization has various sources of liquidity at its disposal, including cash and contributions receivable. Income from investments is available for general use.

Note 4. Contributions Receivable

Contributions receivable as of December 31, 2018 and 2017, are as follows:

	2018			2017		
	Prior Year Campaign	Current Year Campaign	Total	Prior Year Campaign	Current Year Campaign	Total
Contributions receivable	$ 286,748	$ 826,419	$ 1,113,167	$ 244,040	$ 1,014,603	$ 1,258,643
Allowance for uncollectible pledges	(108,000)	(78,000)	(186,000)	(106,282)	(108,000)	(214,282)
	$ 178,748	$ 748,419	$ 927,167	$ 137,758	$ 906,603	$ 1,044,361

Note 5. Investments

The Organization's unrestricted investments at fair value as of December 31, 2018 and 2017, are as follows:

	2018	2017
Money market funds	$ 185,424	$ 80,353
Equity mutual funds	3,224,628	3,812,817
Fixed income mutual funds	2,301,001	2,466,066
	$ 5,711,053	$ 6,359,236

Note 6. Property and Equipment

The Organization's property and equipment as of December 31, 2018 and 2017, are as follows:

	2018	2017
Furnishings and equipment	$ 126,867	$ 123,601
Leasehold improvements	112,625	112,625
	239,492	236,226
Less accumulated depreciation	155,284	148,087
	$ 84,208	$ 88,139

Note 7. Functional Expense

The Organization allocates certain costs among its program and supporting services. Such allocations are determined by management. Salaries, payroll taxes and employee benefits are allocated on the basis of estimates of time and effort.

In 2018, the Organization incurred joint costs of $11,648 for informational materials and activities, including fund-raising appeals. Of these costs, $2,696 was allocated to fund-raising expense, $5,533 was allocated to program service expense and $3,419 was allocated to finance and administration.

In 2017, the Organization incurred joint costs of $9,897 for informational materials and activities, including fund-raising appeals. Of these costs, $2,475 was allocated to fund-raising expense, $5,640 was allocated to program service expense and $1,782 was allocated to finance and administration.

Note 8. Lease and Other Commitments

During 2007, the Organization relocated its operations and entered into a new lease agreement dated April 16, 2007. Effective July 1, 2017, the existing lease was amended and restated, extending the term of the lease through June 30, 2027. Under the amended and restated lease terms, annual rental payments beginning July 1, 2017, are $54,461, with annual increases of 1.0 percent each year for the first five years and 2.0 percent each year for the last five years.

During 2015, the Organization entered into a new lease agreement for grant management software. This agreement has a monthly payment of $149 for 60 months.

Aggregate minimum rental commitments under the amended building and grant management lease are as follows:

Year Ending December 31,	Amount
2019	$ 56,522
2020	55,281
2021	55,834
2022	56,673
2023	57,806
Thereafter	211,423
	$ 493,539

The Organization outsources a majority of its accounting function to third parties. Effective July 1, 2017, the Organization entered into an agreement with a third party for accounting services, which requires a monthly payment of $3,850 for the services provided. The Organization pays additional fees such as storage overage fee and user fee each month. The agreement for accounting services extends until December 31, 2019. During each of the years ended December 31, 2018 and 2017, service fees paid to third parties for accounting services were $57,892 and $50,468, respectively.

The total rental expense included in the statement of activities for the years ended December 31, 2018 and 2017, is $56,249 and $63,203, respectively.

Note 9. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	2018	2017
Subject to the passage of time:		
Campaign results (2018/2019)	$ 1,251,483	$ 1,351,561
Not subject to spending policy or appropriation:		
Beneficial interest in perpetual trusts	$ 190,589	$ 218,172

For the years ended December 31, 2018 and 2017, net assets of $1,453,696 and $1,279,548, respectively, were released from donor restrictions by the occurrence of the passage of time.

Note 10. Employee Benefit Plans

The Organization has a 401(k) plan covering substantially all of its employees. The Organization makes an annual minimum contribution equal to 10 percent of eligible participant wages. Employees are eligible for participation in the plan after one year of employment with the Organization or are immediately eligible if they had one year of employment at a nonprofit organization as their previous employer. The value of each participant's account is fully and immediately vested from the date of participation.

Total expense for the plan amounted to $33,095 and $33,342 for the years ended December 31, 2018 and 2017, respectively.

Note 11. Funds Held for Others

The Organization maintains bank accounts for the accumulation of funds to be disbursed only for the benefit of (or upon the instructions of) other organizations. These accounts had a total cash balance held for others of $43,690 and $57,525 at December 31, 2018 and 2017, respectively.

Note 12. Allocations to Human Services Agencies and Community Support

The following allocations were made for the years ended December 31, 2018 and 2017:

	2018	2017
Program allocations:		
American Red Cross	$ 24,000	$ 24,000
Big Brothers Big Sisters of Illinois Capital Region	119,270	119,270
Boys and Girls Clubs of Central Illinois	113,644	95,890
Catholic Charities of the Diocese of Springfield in Illinois	101,965	101,965
Central Counties Health Centers	-	85,080
Community Connection Point	-	74,540
Compass for Kids, Inc.	200,000	149,085
Contact Ministries	81,770	81,770
Family Service Center	32,067	-
Girl Scouts of Central Illinois, Inc.	5,000	-
Helping Hands of Springfield Inc.	10,425	10,425
Lutheran Child and Family Services	20,735	-
Memorial Behavioral Health	128,758	189,679
M.E.R.C.Y. Communities, Inc.	72,000	71,910
Mini O'Beirne Crisis Nursery	29,555	29,555
One Hope United	15,000	9,940
Senior Services of Central Illinois, Inc.	88,458	69,485
SIU Center for Family Medicine	151,704	61,698
Sojourn Shelter & Services	92,020	92,020
Springfield Urban League	132,985	179,100
The Center of Youth and Family Solutions	21,447	14,910
United Cerebral Palsy Land of Lincoln	94,844	74,845
	1,535,647	1,535,167
Venture grants	31,972	35,510
Community support	83,454	74,592
Net funds allocated to human service agencies and community support	$ 1,651,073	$ 1,645,269

Note 13. Fair Value Measurements

The Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurement.

Note 13. Fair Value Measurements (Continued)

The Fair Value Measurements and Disclosures topic defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. It requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, the Fair Value Measurements and Disclosures topic establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

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

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

For the years ended December 31, 2018 and 2017, there were no transfers of financial assets between hierarchy levels.

A description of the valuation methodologies used for financial assets measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Investments (recurring): The fair value of the Organization's investments is determined using Level 1 inputs, which are derived from readily available pricing sources and third-party pricing services for identical instruments, respectively.

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include highly liquid fixed income mutual funds and exchange-traded equity mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flow.

Beneficial interest in perpetual trusts (recurring): The fair value of the beneficial interests in perpetual trusts held by others is derived from the underlying fair value of the investments held in the trusts. The value of those investments is determined in the same manner as investments described above.

Note 13. Fair Value Measurements (Continued)

Assets at Fair Value on a Recurring Basis

The following table summarizes assets measured at fair value on a recurring basis as of December 31, 2018 and 2017, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	2018			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Investments:				
Money market funds	$ 185,424	$ 185,424	$ -	$ -
Equity mutual funds:				
Small cap funds	524,961	524,961	-	-
Mid cap funds	518,290	518,290	-	-
Large cap funds	1,701,912	1,701,912	-	-
International funds	479,465	479,465	-	-
Fixed income mutual funds	2,301,001	2,301,001	-	-
	5,711,053	5,711,053	-	-
Beneficial interest in perpetual trusts	190,589	-	-	190,589
	$ 5,901,642	$ 5,711,053	$ -	$ 190,589

	2017			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Investments:				
Money market funds	$ 80,353	$ 80,353	$ -	$ -
Equity mutual funds:				
Small cap funds	638,677	638,677	-	-
Mid cap funds	615,322	615,322	-	-
Large cap funds	1,926,929	1,926,929	-	-
International funds	631,889	631,889	-	-
Fixed income mutual funds	2,466,066	2,466,066	-	-
	6,359,236	6,359,236	-	-
Beneficial interest in perpetual trusts	218,172	-	-	218,172
	$ 6,577,408	$ 6,359,236	$ -	$ 218,172

Note 13. Fair Value Measurements (Continued)

The Fair Value Measurements and Disclosures topic requires a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring or nonrecurring basis using significant unobservable inputs (Level 3) during the period. For these Level 3 assets, the reconciliation as of December 31, 2018 and 2017, is as follows:

Beneficial interest in perpetual trusts		2018
Beginning balance, January 1, 2018	$	218,172
Change in beneficial interest in perpetual trusts		(27,583)
Ending balance, December 31, 2018	$	190,589
Total loss included in change in net assets attributable to the change in unrealized/realized gains or losses relating to financial instruments still held at December 31, 2018	$	(27,583)

Beneficial interest in perpetual trusts		2017
Beginning balance, January 1, 2017	$	197,582
Change in beneficial interest in perpetual trusts		20,590
Ending balance, December 31, 2017	$	218,172
Total gains included in change in net assets attributable to the change in unrealized/realized gains or losses relating to financial instruments still held at December 31, 2017	$	20,590