THE UNITED WAY OF YOUNGSTOWN AND THE MAHONING VALLEY

AUDIT OF FINANCIAL STATEMENTS

Years ended December 31, 2017 and 2016

PACKER THOMAS
Certified Public Accountants & Business Consultants

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REPORT OF INDEPENDENT AUDITORS

BOARD OF TRUSTEES
THE UNITED WAY OF YOUNGSTOWN AND THE MAHONING VALLEY

We have audited the accompanying financial statements of The United Way of Youngstown and the Mahoning Valley (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, changes in net assets, 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 audits 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 Organization'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 Organization'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 The United Way of Youngstown and the Mahoning Valley as of December 31, 2017 and 2016, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses 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 audits 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.

Packer Thomas

Canfield, Ohio
October 30, 2018

The United Way of Youngstown and the Mahoning Valley

STATEMENTS OF FINANCIAL POSITION

ASSETS	December 31, 2017	2016
CURRENT ASSETS		
Cash and cash equivalents	**$ 1,131,189**	$ 876,956
Cash and cash equivalents--Success by Six	**26,543**	1,543
Cash and cash equivalents--designated pledges	**251,098**	157,052
Grant receivable	**202,399**	-
Campaign pledges receivable:		
2017 Campaign, less allowance for uncollectible pledges (2017--$125,000)	**796,521**	-
2016 Campaign, less allowance for uncollectible pledges (2017-- $101,000; 2016--$140,000)	**129,924**	1,206,108
2015 Campaign, less allowance for uncollectible pledges (2015--$113,000)	**-**	268,733
Total campaign pledges receivable	**926,445**	1,474,841
Prepaid expenses and other assets	**5,057**	4,963
Donated vehicle	**22,333**	21,876
TOTAL CURRENT ASSETS	**2,565,064**	2,537,231
INVESTMENTS	**6,713,684**	6,085,712
PROPERTY AND EQUIPMENT		
Land	**14,327**	14,327
Building and building improvements	**227,558**	214,756
Furniture and equipment	**231,206**	218,302
	473,091	447,385
Less accumulated depreciation	**427,049**	421,844
NET PROPERTY AND EQUIPMENT	**46,042**	25,541
OTHER ASSETS		
Deposit	**400**	400
TOTAL ASSETS	**$ 9,325,190**	$ 8,648,884

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

LIABILITIES AND NET ASSETS		December 31,		
		2017		2016
CURRENT LIABILITIES				
Designated pledges payable	**$**	**1,175,661**	$	698,786
Allocations payable		**492,082**		474,887
Other current liabilities		**13,135**		5,280
TOTAL CURRENT LIABILITIES		**1,680,878**		1,178,953
OTHER LIABILITIES				
Pension benefit liability		**-**		83,467
TOTAL LIABILITIES		**1,680,878**		1,262,420
NET ASSETS				
UNRESTRICTED				
Investment in fixed assets (net of depreciation)		**46,042**		25,541
Designated by the governing board for:				
Stabilization of agencies' funding		**1,030,400**		1,030,400
New programs		**26,085**		26,085
Capital replacement		**-**		70,000
Endowment		**1,550,353**		1,386,782
Undesignated, available for general activities		**2,634,388**		2,625,564
TOTAL UNRESTRICTED NET ASSETS		**5,287,268**		5,164,372
TEMPORARILY RESTRICTED				
Annual campaign income designated for future periods		**483,474**		474,887
Other		**86,603**		100,759
TOTAL TEMPORARILY RESTRICTED NET ASSETS		**570,077**		575,646
PERMANENTLY RESTRICTED		**1,786,967**		1,646,446
TOTAL NET ASSETS		**7,644,312**		7,386,464
TOTAL LIABILITIES AND NET ASSETS	**$**	**9,325,190**	$	8,648,884

The United Way of Youngstown and the Mahoning Valley

STATEMENTS OF ACTIVITIES

	Years ended December 31,							
	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE								
Prior-year campaign contribution	$ 427,487	$ -	$ -	$ 427,487	$ 381,334	$ -	$ -	$ 381,334
Net assets released from restrictions								
Prior-year campaign contributions--net	474,811	(474,811)	-	-	749,548	(749,548)	-	-
Current-year campaign contributions--net	455,373	483,474	-	938,847	1,049,315	474,811	-	1,524,126
Contributions in kind	-	22,333	-	22,333	-	21,876	-	21,876
Net campaign revenue	1,357,671	30,996	-	1,388,667	2,180,197	(252,861)	-	1,927,336
Grant revenue	265,068	-	-	265,068	-	-	-	-
Interest and dividend income	212,839	30,311	-	243,150	132,342	25,895	-	158,237
Net gain on investments	454,744	-	140,521	595,265	83,511	-	35,329	118,840
Miscellaneous income	1,853	-	-	1,853	2,259	-	-	2,259
Net special event income	150,800	-	-	150,800	237,128	-	-	237,128
Net assets released from restrictions:								
Temporarily restricted investment income	66,876	(66,876)	-	-	21,678	(21,678)	-	-
TOTAL REVENUE	2,509,851	(5,569)	140,521	2,644,803	2,657,115	(248,644)	35,329	2,443,800
FUND DISTRIBUTIONS, SERVICES, DUES AND OTHER EXPENSES								
Allocations to local agencies	924,007	-	-	924,007	860,660	-	-	860,660
Other Corporation expenses:								
Program services:								
Planning and community investment	1,026,504	-	-	1,026,504	812,333	-	-	812,333
Labor	64,898	-	-	64,898	67,279	-	-	67,279
	1,091,402	-	-	1,091,402	879,612	-	-	879,612
Supporting services:								
Administration	56,507	-	-	56,507	54,243	-	-	54,243
United Way campaign	285,228	-	-	285,228	238,640	-	-	238,640
	341,735	-	-	341,735	292,883	-	-	292,883
Other expense:								
United Way National and Ohio membership dues	29,811	-	-	29,811	28,494	-	-	28,494
TOTAL EXPENSES	2,386,955	-	-	2,386,955	2,061,649	-	-	2,061,649
INCREASE (DECREASE) IN NET ASSETS	122,896	(5,569)	140,521	257,848	595,466	(248,644)	35,329	382,151
NET ASSETS AT BEGINNING OF YEAR	5,164,372	575,646	1,646,446	7,386,464	4,568,906	824,290	1,611,117	7,004,313
NET ASSETS AT END OF YEAR	$ 5,287,268	$ 570,077	$ 1,786,967	$ 7,644,312	$ 5,164,372	$ 575,646	$ 1,646,446	$ 7,386,464

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

The United Way of Youngstown and the Mahoning Valley

STATEMENTS OF CASH FLOWS

		Years ended December 31,		
		2017		2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	**$**	**257,848**	$	382,151
Adjustments to reconcile change in net assets to net cash from operating activities:				
Depreciation		**5,205**		3,934
Provision for uncollectible pledges		**(27,000)**		19,000
(Gain) on investments		**(595,265)**		(118,840)
Donated vehicle included in contributions		**(22,333)**		(21,876)
Giveaway of campaign vehicle		**21,876**		21,678
(Increase) decrease in assets:				
Grant receivable		**(202,399)**		-
Campaign pledge receivables		**575,396**		(54,122)
Prepaid expenses and other assets		**(94)**		(540)
Increase (decrease) in liabilities:				
Accounts payable and accrued expenses		**484,729**		249,525
Allocations payable		**17,195**		(274,666)
Other liabilities		**(83,467)**		(73,266)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**431,691**		132,978
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments		**(1,357,874)**		(1,583,195)
Proceeds from sale of investments		**1,325,166**		1,580,833
Purchase of property and equipment		**(25,706)**		-
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(58,414)**		(2,362)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**373,277**		130,616
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**1,035,553**		904,937
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$**	**1,408,830**	$	1,035,553

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

NOTE A – NATURE OF OPERATIONS

The United Way of Youngstown and the Mahoning Valley is a non-profit corporation organized on February 10, 1919 under the laws of the State of Ohio principally for the purpose of soliciting donations for charitable purposes. The United Way focuses on the impact model with today's mission to create positive change by collaborating with partners to educate, empower, and support children and families in the Mahoning Valley. The Organization has aligned its funds, resources, partnerships, and programs around the impact areas of early childhood education and emergency services.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Pronouncement
In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-07, "Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)" ("ASU 2015-07"), which removes the requirement to present certain investments for which the practical expedient is used to measure fair value at net asset value within the fair value hierarchy table. Instead, an entity would be required to include those investments as a reconciling item so that the total fair value amount of investments in the disclosure is consistent with the fair value investment balance on the balance sheet. ASU No. 2015-07 is effective for years beginning after December 31, 2016, and for interim periods within the fiscal year, and the Company has applied ASU 2015-07 retrospectively as required.

Cash and Cash Equivalents
The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be a cash equivalent, exclusive of cash and cash equivalents held in brokerage investment accounts.

Designated Pledges
Financial donor contributions designated to a specific agency or impact area without granting variance power to the Organization are not included in campaign revenue, but are recorded as a liability to the designated beneficiary.

Pledge Receivables
Pledge receivables are recognized as revenue in the period the contributions are received or promised, whichever is earlier. The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. The potential risk is limited to the amount recorded in the financial statements.

Investments
Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of activities. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and Equipment
Property and equipment are recorded at cost, if purchased, or fair value at the date of donation. The Organization has a capitalization policy whereby all additions over $500 are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Depreciation amounted to $5,205 and $3,932 for the years ended December 31, 2017 and 2016, respectively.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Temporarily restricted net assets are those whose use has been limited by donor-imposed time restrictions or purpose restrictions. Permanently restricted net assets are net assets required by donor restriction or by law to be maintained by the Organization in perpetuity. Unrestricted net assets are all other net assets.

Revenue Recognition

Contributions containing donor-imposed restrictions are reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a time or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the period in which the support is recognized.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 7,000 volunteer hours per year.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization's functional classification and allocation policy is based on a review of the current Organization's structure and the identification, reclassification and allocation of certain employee, facility, and departmental expenses, which serve multiple functional areas. Programs included in the "Community Impact Programs" line item on the Statement of Functional Expenses include Success by 6, Dolly Parton Imagination Library, Young Women's Mentorship Initiative, the Volunteer Income Tax Assistance program (V.I.T.A.), and Success After 6.

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expense was $14,067 and $10,372 in 2017 and 2016, respectively.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to enhance comparability with the current period information. Such reclassifications had no impact on the Organization's financial position, results of operations or cash flows.

NOTE C – PLEDGE RECEIVABLES

Pledge receivables, all of which are anticipated to be collected within the next year, consist of the following as of December 31:

	2017	2016
Pledge receivables- 2017 Campaign	$921,521	$ -
Pledge receivables- 2016 Campaign	230,924	1,346,108
Pledge receivables- 2015 Campaign	-	381,733
	1,152,445	1,727,841
Less allowance for uncollectible pledges- 2017 Campaign	125,000	-
Less allowance for uncollectible pledges- 2016 Campaign	101,000	140,000
Less allowance for uncollectible pledges- 2015 Campaign	-	113,000
	226,000	253,000
Pledge receivables, net	$926,445	$ 1,474,841

NOTE D – PLEDGE ALLOCATIONS

The Executive Committee has allocated $924,007 and $860,660 for the years ended December 31, 2017 and 2016, respectively, to the United Way participating agencies for the agencies' 2017-2018 and 2016-2017 operations. The United Way's allocation year is a fiscal year ending June 30.

NOTE E – RESTRICTION ON NET ASSETS

Endowment Fund

The Executive Committee of the Organization created an endowment fund consisting of two components: 1) unrestricted funds containing monies to be directed by the Executive Committee and 2) donor restricted funds to be used for purposes determined by the donor. The purpose of the endowment is to support the mission of the Organization, which is to develop resources for addressing the social needs of the community. The objective of the underlying investments within the endowment fund is to allow for growth of principal balances and to provide an income stream for uses of the Organization. The endowments must not be exposed to undue credit, interest-rate nor foreign exchange risk. Unless otherwise stated in the donor agreement, the Endowment Finance Committee shall select the investment portfolio where the endowments will be invested as described in the Endowment Investment Policy of the Organization.

The Executive Committee defined the distribution policy for the endowment fund components. The board-designated endowment fund shall obtain a principal balance of $300,000 before the principal can be used. All income, defined as actual income less any fees and excluding any gains or losses on the account, may be paid out annually and the principal of the fund shall not be invaded unless otherwise determined by a two-thirds vote of the Executive Committee. The donor restricted endowment funds are distributed based upon the wishes of the donor and vary for each fund.

NOTE E – RESTRICTION ON NET ASSETS (continued)

The Executive Committee of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring some portion of the donor-restricted endowment to be classified as permanently restricted assets. As a result, the Organization classifies as permanently restricted net assets a) the original value of gifts donated to the permanent endowment, b) the original value of subsequent gifts to the permanent endowment, and c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument.

Endowment Net Asset Composition by Type of Fund as of December 31, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	**$ -**	**$ 86,603**	**$ 1,786,967**	**$ 1,873,570**
Board-designated endowment funds	**1,550,353**	**-**	**-**	**1,550,353**
TOTAL FUNDS	**$ 1,550,353**	**$ 86,603**	**$ 1,786,967**	**$ 3,423,923**

Endowment Net Asset Composition by Type of Fund as of December 31, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 100,759	$ 1,646,446	$ 1,747,205
Board-designated endowment funds	1,386,782		-	1,386,782
TOTAL FUNDS	$ 1,386,782	$ 100,759	$ 1,646,446	$ 3,133,987

NOTE E – RESTRICTION ON NET ASSETS (continued)

Changes in Endowment Net Assets for the Years Ended December 31, 2017 and 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - January 1, 2016	$ 1,327,022	$ 74,742	$ 1,611,117	$ 3,012,881
Interest and dividends	32,014	25,819	-	57,833
Net appreciation (depreciation) (realized and unrealized)	27,746	-	35,329	63,075
Contributions	-	21,876	-	21,876
Appropriation of endowment assets for expenditure	-	(21,678)	-	(21,678)
Endowment net assets – December 31, 2016	$ 1,386,782	$ 100,759	$ 1,646,446	$ 3,133,987
Interest and dividends	44,469	30,387	-	74,856
Net appreciation (depreciation) (realized and unrealized)	119,102	-	140,521	259,623
Contributions	-	22,333	-	22,333
Appropriation of endowment assets for expenditure	-	(66,876)	-	(66,876)
Endowment net assets, December 31, 2017	$ 1,550,353	$ 86,603	$ 1,786,967	$ 3,423,923

NOTE F – INVESTMENTS

Investments are stated at fair value based on quoted market prices and consist of the following:

	December 31, 2017		December 31, 2016	
	Cost	**Fair Value**	Cost	Fair Value
Investments:				
Cash & cash equivalents	**$ 284,751**	**$ 284,751**	$ 275,277	$ 275,277
Equities	**891,018**	**1,568,028**	823,800	1,346,800
Corporate/government bonds	**641,211**	**637,758**	659,187	653,750
Mutual funds	**3,651,766**	**4,223,147**	3,527,966	3,809,885
Total Investments	**$5,468,746**	**$6,713,684**	$ 5,286,230	$ 6,085,712

Investment fees for the period ended December 31, 2017 and 2016 were $42,378 and $40,136, respectively.

NOTE G – FAIR VALUE MEASUREMENTS

The Organization has characterized its financial instruments, based on the priority of the inputs used to value the financial instruments, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1], and the lowest priority to unobservable inputs [Level 3]. If the inputs used to measure the investments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the financial instruments.

Financial instruments recorded in the statement of financial position are categorized based on the inputs to valuation techniques as follows:

Level 1: These are financial instruments where values are based on unadjusted quoted prices for identical sets in an active market that the Organization has the ability to access.

Level 2: These are financial instruments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the financial instruments.

Level 3: These are financial instruments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the financial instruments.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Organization at year end.

Money market funds: Valued at the net asset value (NAV) of shares held by the Organization at year-end.

Corporate Bonds: Certain corporate bonds are valued at the closing price reported on the active market on which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

U.S. Government Obligations: Valued on the basis of market valuations primarily furnished by an independent pricing service which employs various evaluation methods, utilizing the most appropriate method of each security. Such market valuations may represent the last quoted price on the securities' major trading exchange, quotes received from dealers or market makers in the relevant securities, or matrix pricing.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value of reflective of future fair values. 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.

NOTE G – FAIR VALUE MEASUREMENTS (continued)

In accordance with GAAP, investments measured at net asset value as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the following tables are intended to permit reconciliation to the amounts presented in the Statements of Financial Position.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2017 and 2016.

As of December 31, 2017 on a Recurring Basis

Description	Level 1	Level 2	Level 3	Total
Investments measured at fair value:				
Corporate bonds	**$ -**	**$ 637,758**	**$ -**	**$ 637,758**
Common stocks:				
Industrials	**113,085**	**-**	**-**	**113,085**
Telecommunications	**18,857**	**-**	**-**	**18,857**
Consumer	**168,288**	**-**	**-**	**168,288**
Other	**1,267,798**	**-**	**-**	**1,267,798**
Mutual funds:				
Fixed income funds	**1,333,984**	**-**	**-**	**1,333,984**
Other funds	**2,889,163**	**-**	**-**	**2,889,163**
Subtotal investments at fair value	**5,791,175**	**637,758**	**-**	**6,428,933**
Investments at net asset value:				
Money market				**284,751**
Total				**$ 6,713,684**

As of December 31, 2016 on a Recurring Basis

Description	Level 1	Level 2	Level 3	Total
Investments measured at fair value:				
Corporate bonds	$ -	$ 653,750	$ -	$ 653,750
Common stocks:				
Industrials	100,565	-	-	100,565
Telecommunications	36,142	-	-	36,142
Consumer	141,180	-	-	141,180
Other	1,068,913	-	-	1,068,913
Mutual funds:				
Fixed income funds	1,116,174	-	-	1,116,174
Other funds	2,693,711	-	-	2,693,711
Subtotal investments at fair value	5,156,685	653,750	-	5,810,435
Investments at net asset value:				
Money market				275,277
Total				$ 6,085,712

NOTE H – DEFINED BENEFIT PLAN

The Corporation sponsored a defined benefit pension plan (the Plan). Full-time employees over the age of 21 were eligible to participate in the Plan. The Corporation's policy was to contribute amounts to the Plan sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as the Corporation determined to be appropriate from time to time. Contributions were intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future.

In May 2007, the Executive Committee approved the freezing of the defined benefit plan effective June 30, 2008. Based upon notification from the plan administrator, a final contribution of $100,200 was made to the plan in March 2017 to satisfy the remaining distribution of plan assets. As of March 31, 2017, all assets have been distributed from the plan.

The expected long-term rate of return on Plan assets was based on the "building block" approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27 – Selection Economic Assumptions of Measuring Pension Obligations. Based on investment policy for the pension plan in effect as of the beginning of the fiscal year, a best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on the Organization's historical 30 year period rolling averages. An average inflation rate within the range was selected and added to the real rate of return to arrive at a best estimate range from which the expected long-term rate of return was selected.

The Organization used a December 31 measurement date for the Plan. Summarized information for the Plan as of December 31, 2017 and 2016 is as follows:

	2017	2016
Change in benefit obligation:		
Benefit obligation at beginning of year	**$ 167,997**	$ 160,763
Service cost	**-**	13,260
Interest cost	**-**	5,441
Change due to assumption changes	**-**	1,389
Actuarial (gain) loss	**16,811**	404
Benefits disbursed	**(184,808)**	-
Expense charges	**-**	(13,260)
Benefit obligation at end of year	**$ -**	$ 167,997
Change in Plan assets:		
Fair value of Plan assets at beginning of year	**$ 84,530**	$ 4,030
Actual return on Plan assets	**78**	(5)
Employer contributions	**100,200**	93,765
Benefits paid (including expense charges)	**(184,808)**	(13,260)
Fair value of Plan assets at end of year	**$ -**	$ 84,530
Components of net periodic benefit cost:		
Service cost	**$ -**	$ 13,260
Interest cost on benefit obligations	**-**	5,441
Expected return on Plan assets	**-**	(1,771)
Recognized actuarial loss	**-**	8,001
Amortization of unrecognized transition obligation	**-**	(1,226)
Amount of (gain) or loss recognized due to settlement	**-**	-
Net periodic pension cost	**$ -**	$ 23,705

NOTE H – DEFINED BENEFIT PLAN (continued)

Weighted average assumptions as of December 31, 2017 and 2016:

	2017	2016
Assumed discount rate	**N/A**	3.10%
Expected rate of return on Plan assets	**N/A**	4.00%

Items not yet recognized in net periodic pension cost:

	2017	2016
Unrecognized net (asset)	**N/A**	$ (6,132)
Unrecognized actuarial loss	**N/A**	66,614

The Plan was 100% invested in fixed income investments that were classified as Level 2 investments as of December 31, 2016 under the fair value hierarchy set out by FASB ASC 820. The Organization's overall strategy was to invest in high-grade securities and other assets with a minimum risk of market value fluctuation.

NOTE I – DEFINED CONTRIBUTION PLAN

The Organization has a 403(b) defined contribution pension plan covering all eligible employees. Employees may defer up to $16,500 of their annual compensation to the plan in 2017 and 2016. The Organization's contributions to the plan are based on 4% of employee wages. Total pension plan contributions were $12,424 and $13,476 for the years ended December 31, 2017 and 2016, respectively.

NOTE J – RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Organization occasionally enters into transactions with affiliates of members of its Board of Trustees. These transactions primarily relate to depository relationships with financial institutions.

NOTE K – DEFERRED COMPENSATION AGREEMENT

The Organization entered into a deferred compensation agreement ("the agreement) on May 3, 2017 with the Organization's President. For each year between 2017 and the year the President attains the age of 65 that the President remains in the full-time employ of the Organization for the entire year, the Organization's Personnel Committee will review performance and make a recommendation to the full board as it relates to a deferred compensation award. The total deferred compensation credited to the President under this agreement will be paid in five equal annual installments, the first of which will be payable within 45 days after the President attains age 65, and the remaining four payments will be payable in annual installments with the payments being made on the month and day that the first installment was made.

NOTE L – CONCENTRATION OF RISK

The Organization maintains its cash in various financial institutions which, at times, may exceed federally insured limits, of $250,000. The Organization has not experienced any losses from such accounts, and management believes the Organization is not exposed to significant credit risk related to bank deposit accounts.

NOTE L – CONCENTRATION OF RISK (continued)

The Organization maintains a major portion of its funds in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will change will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of financial position.

Major Contributors
During 2016, the Organization received $224,000 of its contributions from one business and its employees. At December 31, 2016, this entire amount was included in campaign pledges receivables. There were no major contributors in 2017.

NOTE M – SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 30, 2018, which is the date the financial statements were available to be issued.

The United Way of Youngstown and the Mahoning Valley

SCHEDULE OF FUNCTIONAL EXPENSES

	Years ended December 31, 2017							2016						
	Program Services			Supporting Services			Total Program and Supporting Services Expenses	Program Services			Supporting Services			Total Program and Supporting Services Expenses
	Planning and Community Investment	Labor	Total	Administration	United Way Campaign	Total		Planning and Community Investment	Labor	Total	Administration	United Way Campaign	Total	
SALARIES AND RELATED EXPENSES:														
Salaries	$ 414,760	$ 42,961	$ 457,721	$ 37,591	$ 161,105	$ 198,696	$ 656,417	$ 226,927	$ 43,640	$ 270,567	$ 34,914	$ 130,920	$ 165,834	$ 436,401
Employee benefits	68,670	8,123	76,793	7,108	30,462	37,570	114,363	52,698	10,134	62,832	8,107	30,403	38,510	101,342
Payroll taxes	27,001	3,927	30,928	3,436	14,728	18,164	49,092	19,651	3,779	23,430	3,024	11,337	14,361	37,791
TOTAL SALARIES AND RELATED EXPENSES	510,431	55,011	565,442	48,135	206,295	254,430	819,872	299,276	57,553	356,829	46,045	172,660	218,705	575,534
Community impact programs	309,175	-	309,175	-	-	-	309,175	428,107	-	428,107	-	-	-	428,107
Purchased services	87,726	-	87,726	-	-	-	87,726	-	-	-	-	-	-	-
Office supplies	11,307	1,008	12,315	882	3,781	4,663	16,978	1,910	367	2,277	294	1,102	1,396	3,673
Campaign supplies	-	-	-	-	29,446	29,446	29,446	-	-	-	-	28,894	28,894	28,894
Telephone	3,678	535	4,213	468	2,006	2,474	6,687	2,659	511	3,170	409	1,534	1,943	5,113
Postage and shipping	393	31	424	90	1,413	1,503	1,927	1,115	126	1,241	228	1,433	1,661	2,902
Utilities	2,764	402	3,166	352	1,507	1,859	5,025	2,749	529	3,278	423	1,586	2,009	5,287
Insurance	3,879	564	4,443	494	2,115	2,609	7,052	3,721	716	4,437	572	2,147	2,719	7,156
Printing and publications	12,115	151	12,266	127	1,674	1,801	14,067	6,875	544	7,419	365	2,587	2,952	10,371
Transportation and travel	16,405	1,267	17,672	270	13,615	13,885	31,557	6,481	-	6,481	-	4,144	4,144	10,625
Local meetings	8,382	82	8,464	573	1,450	2,023	10,487	8,057	-	8,057	360	1,752	2,112	10,169
Rental and maintenance of equipment and building	15,374	2,236	17,610	1,957	8,386	10,343	27,953	13,409	2,579	15,988	2,063	7,736	9,799	25,787
Membership dues and tuition	6,817	992	7,809	868	3,719	4,587	12,396	5,956	1,145	7,101	916	3,436	4,352	11,453
Professional fees	14,730	2,143	16,873	1,875	8,035	9,910	26,783	13,764	2,647	16,411	2,118	7,941	10,059	26,470
Investment expense	12,374	-	12,374	-	-	-	12,374	11,616	-	11,616	-	-	-	11,616
Data processing expense	7,681	-	7,681	-	-	-	7,681	3,712	-	3,712	-	-	-	3,712
Miscellaneous expense	410	60	470	52	224	276	746	880	169	1,049	135	508	643	1,692
Depreciation	2,863	416	3,279	364	1,562	1,926	5,205	2,046	393	2,439	315	1,180	1,495	3,934
TOTAL EXPENSES	$ 1,026,504	$ 64,898	$ 1,091,402	$ 56,507	$ 285,228	$ 341,735	$ 1,433,137	$ 812,333	$ 67,279	$ 879,612	$ 54,243	$ 238,640	$ 292,883	$ 1,172,495

PACKER · THOMAS

Certified Public Accountants & Business Consultants

PROVEN TRUE.

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