

UNITED WAY OF UNION COUNTY, OHIO, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

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HOLBROOK & MANTER, CPAs
PROFESSIONAL SERVICES FIRM

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
United Way of Union County, Ohio, Inc.
Marysville, Ohio

We have audited the accompanying financial statements of United Way of Union County, Ohio, Inc. (a non-profit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 Union County, Ohio, Inc. as of December 31, 2015 and 2014, and the changes in its net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants

Marysville, Ohio
June 15, 2016

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UNITED WAY OF UNION COUNTY, OHIO, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015 AND 2014

| <u>ASSETS</u> | <u>2015</u> | <u>2014</u> |
|--------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| CURRENT ASSETS:- | | |
| Cash and cash equivalents | \$ 388,075 | \$ 352,575 |
| Pledges receivable, less allowance for uncollectible pledges of \$80,524 and \$85,893, respectively | 683,197 | 656,468 |
| Other receivables | 0 | 3,954 |
| Prepaid expenses | 4,188 | 2,052 |
| Total current assets | 1,075,460 | 1,015,049 |
| PROPERTY AND EQUIPMENT:- | | |
| Property and equipment | 10,847 | 10,197 |
| Less accumulated depreciation | (10,305) | (9,759) |
| Net property and equipment | 542 | 438 |
| OTHER ASSETS:- | | |
| Fiscal agent deposit | 19,682 | 26,530 |
| Beneficial interest held by others | 110,565 | 48,839 |
| Total other assets | 130,247 | 75,369 |
| Total assets | \$ 1,206,249 | \$ 1,090,856 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| CURRENT LIABILITIES:- | | |
| Allocations payable - agencies | \$ 141,727 | \$ 151,574 |
| Out of county donations payable | 4,376 | 9,650 |
| Accrued payroll liabilities | 4,906 | 11,945 |
| Fiscal agent deposit | 19,682 | 26,530 |
| Total current liabilities | 170,691 | 199,699 |
| NET ASSETS:- | | |
| Unrestricted net assets | 132,162 | 128,589 |
| Temporarily restricted net assets | 903,396 | 762,568 |
| Total net assets | 1,035,558 | 891,157 |
| Total liabilities and net assets | \$ 1,206,249 | \$ 1,090,856 |

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

UNITED WAY OF UNION COUNTY, OHIO, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

| | 2015 | | | 2014 | | |
|----------------------------------------------------|--------------|------------------------|--------------|--------------|------------------------|------------|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| PUBLIC SUPPORT:- | | | | | | |
| Gross campaign revenue | \$ 0 | \$ 1,085,462 | \$ 1,085,462 | \$ 0 | \$ 965,944 | \$ 965,944 |
| Less donor designations | 0 | (141,727) | (141,727) | 0 | (151,574) | (151,574) |
| Less provision for uncollectible pledges | 0 | (40,339) | (40,339) | 0 | (51,802) | (51,802) |
| Net current year campaign revenue | 0 | 903,396 | 903,396 | 0 | 762,568 | 762,568 |
| OTHER REVENUE:- | | | | | | |
| Interest income | 3,046 | 0 | 3,046 | 1,713 | 0 | 1,713 |
| Contributions | 1,552 | 0 | 1,552 | 1,419 | 0 | 1,419 |
| Noncash contributions | 3,715 | 0 | 3,715 | 3,103 | 0 | 3,103 |
| Unrealized (loss) gain on investments | (3,328) | 0 | (3,328) | 1,618 | 0 | 1,618 |
| Net assets released from restriction | 762,568 | (762,568) | 0 | 775,895 | (775,895) | 0 |
| Total other revenue | 767,553 | (762,568) | 4,985 | 783,748 | (775,895) | 7,853 |
| Total public support and other revenue | 767,553 | 140,828 | 908,381 | 783,748 | (13,327) | 770,421 |
| EXPENSES:- | | | | | | |
| Program Expenses:- | | | | | | |
| Agency allocation grants | 588,963 | 0 | 588,963 | 574,112 | 0 | 574,112 |
| Less allocations funded through donor designations | (141,727) | 0 | (141,727) | (151,574) | 0 | (151,574) |
| Other grants and gifts | 18,546 | 0 | 18,546 | 32,631 | 0 | 32,631 |
| Total program expenses | 465,782 | 0 | 465,782 | 455,169 | 0 | 455,169 |
| Functional Expenses:- | | | | | | |
| Fundraising | 130,873 | 0 | 130,873 | 138,624 | 0 | 138,624 |
| Program services | 110,812 | 0 | 110,812 | 112,847 | 0 | 112,847 |
| Management and general | 49,369 | 0 | 49,369 | 52,561 | 0 | 52,561 |
| Total functional expenses | 291,054 | 0 | 291,054 | 304,032 | 0 | 304,032 |
| United Way of America dues | 7,144 | 0 | 7,144 | 6,712 | 0 | 6,712 |
| Total expenses | 763,980 | 0 | 763,980 | 765,913 | 0 | 765,913 |
| Change in net assets | 3,573 | 140,828 | 144,401 | 17,835 | (13,327) | 4,508 |
| Net assets at beginning of year | 128,589 | 762,568 | 891,157 | 110,754 | 775,895 | 886,649 |
| Net assets at end of year | \$ 132,162 | \$ 903,396 | \$ 1,035,558 | \$ 128,589 | \$ 762,568 | \$ 891,157 |

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

UNITED WAY OF UNION COUNTY, OHIO, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

| | 2015 | | | | 2014 | | | |
|-------------------------------------|-------------------|-------------------|------------------------|-------------------|-------------------|-------------------|------------------------|-------------------|
| | Fund-Raising | Program Services | Management and General | Total | Fund-Raising | Program Services | Management and General | Total |
| Salaries | \$ 54,246 | \$ 67,807 | \$ 28,630 | \$ 150,683 | \$ 57,677 | \$ 65,266 | \$ 28,838 | \$ 151,781 |
| Payroll taxes | 4,772 | 5,965 | 2,519 | 13,256 | 4,491 | 5,082 | 2,246 | 11,819 |
| Employee benefits | 10,588 | 13,235 | 5,588 | 29,411 | 15,078 | 17,062 | 7,539 | 39,679 |
| Total salaries and related benefits | 69,606 | 87,007 | 36,737 | 193,350 | 77,246 | 87,410 | 38,623 | 203,279 |
| Dues and memberships | 286 | 233 | 147 | 666 | 535 | 436 | 274 | 1,245 |
| Conferences and meetings | 169 | 138 | 87 | 394 | 234 | 190 | 120 | 544 |
| Professional fees | 6,290 | 5,120 | 3,219 | 14,629 | 6,234 | 5,074 | 3,190 | 14,498 |
| Supplies | 670 | 546 | 343 | 1,559 | 806 | 656 | 413 | 1,875 |
| Telephone | 928 | 755 | 474 | 2,157 | 778 | 634 | 398 | 1,810 |
| Postage and shipping | 727 | 592 | 372 | 1,691 | 2,165 | 1,762 | 1,107 | 5,034 |
| Other occupancy costs | 6,277 | 5,109 | 3,211 | 14,597 | 4,154 | 3,381 | 2,126 | 9,661 |
| Service charges | 369 | 301 | 189 | 859 | 417 | 340 | 213 | 970 |
| Equipment | 5,453 | 4,438 | 2,790 | 12,681 | 5,054 | 4,114 | 2,585 | 11,753 |
| Lease expense | 1,034 | 842 | 529 | 2,405 | 1,923 | 1,565 | 983 | 4,471 |
| Campaign | 31,751 | 648 | 0 | 32,399 | 30,951 | 0 | 0 | 30,951 |
| Insurance - liability and bonding | 346 | 281 | 177 | 804 | 1,100 | 895 | 562 | 2,557 |
| Filing fees | 86 | 70 | 44 | 200 | 86 | 70 | 44 | 200 |
| Publicity projects | 5,895 | 3,930 | 0 | 9,825 | 6,140 | 5,668 | 0 | 11,808 |
| Miscellaneous | 986 | 802 | 504 | 2,292 | 801 | 652 | 410 | 1,863 |
| Depreciation | 0 | 0 | 546 | 546 | 0 | 0 | 1,513 | 1,513 |
| Total | <u>\$ 130,873</u> | <u>\$ 110,812</u> | <u>\$ 49,369</u> | <u>\$ 291,054</u> | <u>\$ 138,624</u> | <u>\$ 112,847</u> | <u>\$ 52,561</u> | <u>\$ 304,032</u> |

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

UNITED WAY OF UNION COUNTY, OHIO, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

| | 2015 | 2014 |
|--------------------------------------------------------------------------------------------------|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:- | | |
| Change in net assets | \$ 144,401 | \$ 4,508 |
| Adjustments to reconcile the change in net assets to net cash provided by operating activities:- | | |
| Depreciation | 546 | 1,513 |
| (Increase) decrease in pledges receivable | (26,729) | 20,576 |
| Decrease (increase) in other receivables | 3,954 | (3,954) |
| (Increase) decrease in prepaid expenses | (2,136) | 1,923 |
| (Decrease) increase in allocations payable - agencies | (9,847) | 16,683 |
| (Decrease) increase in accrued payroll liabilities | (7,039) | 2,673 |
| (Decrease) increase in out of county donations payable | (5,274) | 3,849 |
| Net cash provided by operating activities | 97,876 | 47,771 |
| CASH FLOWS FROM INVESTING ACTIVITIES:- | | |
| Purchases of fixed assets | (650) | 0 |
| Purchases of investments | (61,726) | (5,635) |
| Net cash used by investing activities | (62,376) | (5,635) |
| Net increase in cash and cash equivalents | 35,500 | 42,136 |
| Cash and cash equivalents - beginning of year | 352,575 | 310,439 |
| Cash and cash equivalents - end of year | \$ 388,075 | \$ 352,575 |

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:-

Cash paid for:

| | | | | |
|--------------|----|---|----|---|
| Interest | \$ | 0 | \$ | 0 |
| Income taxes | \$ | 0 | \$ | 0 |

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

UNITED WAY OF UNION COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - United Way of Union County, Ohio, Inc. (the Organization) is a non-profit charitable corporation governed by a volunteer board of Trustees, with the purpose of meeting the human service needs of the Union County area through the coordination of social services, problem solving, and financial support. The Organization is supported primarily through donor contributions.

Basis of Presentation - The Organization has adopted the Accounting Standards Codification (ASC) No. 958-205, "Financial Statements of Not-for-Profit Organizations". Under ASC No. 958-205, 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. In addition, the Organization is required to present a statement of cash flows.

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents include cash on hand and on deposit and all highly liquid instruments, such as certificates of deposit, purchased with original maturities of three months or less.

Contributions - The Organization recognizes contributions received and contributions made in accordance with ASC No. 958-605, "Accounting for Contributions Received and Contributions Made". Under ASC No. 958-605, a contribution received by the Organization is recognized when the donor makes an unconditional promise to give to the Organization. Conditional promises to give are not recognized by the Organization as contributions received until the conditions have been met. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and nature of any donor imposed restrictions. Contributions received with donor imposed restrictions that are met in the same reporting period are reported as unrestricted contributions.

Designated Contributions - The Organization recognizes donor designated contributions in accordance with ASC No. 958-605, "Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others." When a donor specifically designates a participating agency to receive his or her campaign contribution, the Organization excludes the designated pledge from campaign revenue. The Organization is considered an agent for the designated beneficiary and, as such, records cash or a receivable from the donor and a liability to the designated beneficiary.

Pledges Receivables - Pledges are promises to give from various donors that are considered unconditional promises to give. Pledges receivable primarily consist of pledges made during annual giving campaign appeals, and are presented net of the allowance for doubtful accounts. Pledges receivable are considered past due when the pledge payment period has passed.

Allowance for Doubtful Accounts - The United Way uses the allowance method to estimate uncollectible receivables. The allowances are based on prior experience and management analysis of specific receivables and promises to give. Once the likelihood of collecting the receivable is determined to be remote, management writes off the specific account balance and relieves any related allowance. If collections are made in excess of this allowance, the funds are available to be allocated to the member agencies with the next campaign.

Fiscal Agent - The Organization serves as the fiscal agent for the Osteopathic Heritage Foundation (the Foundation) and the Union County Drug Free Task Force (the Task Force). On behalf of these two organizations, the Organization performs various fiscal duties such as maintaining and disbursing cash funds under the terms of the Foundation's RHISCO Grant and from direction from the management of the Task Force. On the statement of financial position, fiscal agent funds have been presented separately.

Property and Equipment - Additions and improvements to property and equipment over \$500 and with a useful life of more than two years are recorded at cost when purchased and at fair value when donated to the Organization. Depreciation is computed using the straight-line method at rates expected to depreciate the cost of the assets over their estimated useful lives, which is a range of 3 to 7 years for office equipment.

UNITED WAY OF UNION COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

Federal Income Taxes - The Organization has been determined, by the Internal Revenue Service, as exempt from Federal 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 and, as a result, a provision for taxes is not required. The Organization records interest and penalties, if any, in interest expense and other expense, respectively, in operating expenses. During the years ended December 31, 2015 and 2014, the Organization did not have any interest or penalties related to taxes. Management believes that there are no uncertain tax positions taken as of December 31, 2015 and 2014.

Use of Estimates - The financial statements of the Organization are presented in conformity with accounting principles generally accepted in the United States of America. This presentation requires the use of estimates and assumptions made by management that affect certain amounts and assumptions. Accordingly, actual results could differ from those estimates.

Functional Allocation - The costs of providing the program and various management and general activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain estimates have been made to allocate costs among the program and supporting activities.

Risks and Uncertainties - The Organization maintains its cash and cash equivalents balances in various financial institutions located in Union County. Noninterest-bearing and interest-bearing accounts are collectively insured up to a coverage limit of \$250,000, at each separately chartered Federal Deposit Insurance Corporation (FDIC) insured depository institution. Therefore, it is possible that from time to time, the Organization may have balances that exceed these FDIC limits.

Reclassification - Certain amounts from the prior year have been reclassified to conform to the current year presentation.

NOTE 2 - PLEDGES RECEIVABLE

Pledges receivable at December 31, 2015 and 2014 are summarized as follows:

| | <u>2015</u> | <u>2014</u> |
|-------------------------------------|-------------------|-------------------|
| Total Pledges | | |
| 2013 Campaign | \$ 0 | \$ 159,144 |
| 2014 Campaign | 127,591 | 583,217 |
| 2015 Campaign | <u>636,130</u> | <u>0</u> |
| Total campaign pledges | 763,721 | 742,361 |
| Allowance for uncollectible pledges | (80,524) | (85,893) |
| Net pledges receivable | <u>\$ 683,197</u> | <u>\$ 656,468</u> |

NOTE 3 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Beneficial interest in assets held by others consists of two funds, the Lasting Legacy Foundation and the Reserve Balance Fund. Funds are held at the Community Foundation of Union County. The Community Foundation of Union County has advisory rights to these funds and makes investment decisions in accordance with the rules and regulations set forth by the Foundation's board of trustees.

UNITED WAY OF UNION COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 4 - FAIR VALUE MEASUREMENTS

The Organization follows the Accounting Standards Codification (ASC) No. 820, Fair Value Measurements. ASC No. 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC No. 820 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Assets measured at fair value as of December 31, 2015 and December 31, 2014:

Investments at Fair Value as of December 31, 2015

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|----------------------------------------------|----------------|-------------------|----------------|-------------------|
| Beneficial interest in assets held by others | \$ 0 | \$ 110,565 | \$ 0 | \$ 110,565 |
| Total investments | \$ 0 | \$ 110,565 | \$ 0 | \$ 110,565 |

Investments at Fair Value as of December 31, 2014

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|----------------------------------------------|----------------|------------------|----------------|------------------|
| Beneficial interest in assets held by others | \$ 0 | \$ 48,839 | \$ 0 | \$ 48,839 |
| Total investments | \$ 0 | \$ 48,839 | \$ 0 | \$ 48,839 |

The level 2 assets listed above were valued using the market approach and were determined using quoted market prices of similar assets and liabilities.

UNITED WAY OF UNION COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

The Organization has campaign support revenue that will be collected over the course of the following year. This campaign support less the allowance for uncollectible pledges and agency designations is considered temporarily restricted due to timing. Beginning in 2005, donors were also able to select from four impact areas. Donors could choose to direct their donation from the following categories: emergency and basic needs, health and human services, senior services, and youth services. Designations to impact areas are considered temporarily restricted for a specific purpose and due to timing. In 2015 and 2014, the Organization also received contributions that are restricted for funding several other nonprofit organizations that are not affiliated with the Organization.

The temporarily restricted net assets at December 31, 2015 and 2014 are summarized as follows:

| | <u>2015</u> | <u>2014</u> |
|------------------------------------------------|-------------------|-------------------|
| CONTRIBUTIONS:- | | |
| Discovery Riders | \$ 2,814 | \$ 2,289 |
| Heart of Ohio Homeless Shelter | 3,001 | 2,136 |
| Maryhaven | 3,136 | 3,817 |
| Plain City food pantry | 595 | 664 |
| Union County Health Department Prescription | 77 | 63 |
| Richwood emergency assistance program | 83 | 148 |
| | <u>9,706</u> | <u>9,117</u> |
| RESTRICTED CAMPAIGN PLEDGES:- | | |
| Billiards for books | 2,018 | 5,898 |
| Campaign awards & recognition | 833 | 1,000 |
| Campaign kickoff luncheon | 2,292 | 0 |
| Corporate sponsorship | 100 | 0 |
| Emergency and basic needs | 14,247 | 16,248 |
| Five K runner registrations | 10,701 | 9,698 |
| Five K sponsorships | 8,892 | 7,655 |
| Health and human services | 10,020 | 6,959 |
| Online auction | 5,409 | 9,459 |
| Play fore kids | 2,870 | 0 |
| Putt for kids mini golf challenge | 0 | 3,870 |
| Senior services | 13,688 | 13,669 |
| Stuff the bus | 4,270 | 1,600 |
| Union county fair | 0 | 0 |
| Youth art and recreation grant fund | 0 | 0 |
| Youth services | 17,592 | 18,434 |
| Total impact areas | <u>92,932</u> | <u>94,490</u> |
| General campaign contributions | <u>982,824</u> | <u>862,337</u> |
| Total campaign contributions | 1,075,756 | 956,827 |
| Less provision for uncollectible pledges | (40,339) | (51,802) |
| Less donor designations | <u>(141,727)</u> | <u>(151,574)</u> |
| | <u>893,690</u> | <u>753,451</u> |
| Total restricted campaign pledges | <u>893,690</u> | <u>753,451</u> |
| Total temporarily restricted net assets | <u>\$ 903,396</u> | <u>\$ 762,568</u> |

UNITED WAY OF UNION COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 6 - OPERATING LEASES

The Organization renewed a lease on December 31, 2012 for an additional five year term expiring November 30, 2017, requiring monthly payments of \$550 plus utilities with an unrelated third party for office space. Lease expense for office space amounted to \$5,500 and \$6,600 for the years ending December 31, 2015 and 2014, respectively. The Organization terminated this lease early in August 2015.

The Organization entered a new lease with an unrelated third party for office space for a term of five years and 5 months beginning August 1, 2015 and ending December 31, 2020. The lease required monthly payments of \$1,095 during 2015 and increase each year for the following five years. Lease expense for office space amounted to \$5,475 for the year ended December 31, 2015.

Effective June 17, 2010, the Organization entered into a sixty month operating lease agreement with an unrelated party for a photocopier. The terms of the lease require monthly payments of \$395. This lease agreement includes up to 3,500 black and white copies and 1,500 color copies per month. A nominal per copy charge is charged for any copies that exceed these monthly limits. Copier lease expense amounted to \$1,577 and \$4,471 for the years ended December 31, 2015 and 2014, respectively.

Effective August 1, 2015, the Organization entered into a sixty month operating lease agreement with an unrelated party for a photocopier. The terms of the lease require monthly payments of \$225. This lease agreement includes up to 3,500 black and white copies and 1,500 color copies per month. A nominal per copy charge is charged for any copies that exceed these monthly limits. Copier lease expense amounted to \$900 for the year ended December 31, 2015.

Future minimum lease payments are as follows:

| | | |
|--------------|-----------|----------------------|
| 2016 | \$ | 17,100 |
| 2017 | | 18,300 |
| 2018 | | 19,500 |
| 2019 | | 20,700 |
| 2020 | | <u>20,400</u> |
| Total | \$ | <u>96,000</u> |

NOTE 7 - EMPLOYEE BENEFIT PLAN

The Organization entered into a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE plan) qualified under Section 408(p) of the Internal Revenue Code, effective January 1, 2003. The plan covers full-time employees, and the Organization contributes 5% of the employee's compensation for the year to the plan. Total pension expense was \$6,667 and \$7,329 for the years ended December 31, 2015 and 2014, respectively.

NOTE 8 - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through June 15, 2016, the date which the financial statements were available to be issued.



**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

The Board of Trustees
United Way of Union County, Ohio, Inc.
Marysville, Ohio

We have audited the financial statements of United Way of Union County, Ohio, Inc. as of and for the year ended December 31, 2015, and have issued our report thereon dated June 15, 2016, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule on page 14, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Holbrook & Manter

Certified Public Accountants

Marysville, Ohio
June 15, 2016

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UNITED WAY OF UNION COUNTY, OHIO, INC.
SCHEDULE OF ALLOCATIONS PAYABLE
AS OF DECEMBER 31, 2015

| | Allocations Payable 12/31/2014 | Allocations 12/31/2015 | Reversals and Payments to Agencies 12/31/2015 | Allocations Payable 12/31/2015 |
|-----------------------------------------------------------------|-----------------------------------------------|-----------------------------------|------------------------------------------------------------------|-----------------------------------------------|
| UNITED WAY AGENCY ALLOCATIONS:- | | | | |
| American Red Cross | \$ 6,444 | \$ 44,924 | \$ (44,500) | \$ 6,868 |
| Big Brothers Big Sisters | 5,719 | 22,385 | (24,000) | 4,104 |
| Boy Scouts | 6,246 | 5,978 | (7,129) | 5,095 |
| Child Care Network | 1,754 | 1,697 | (1,754) | 1,697 |
| Community and Seasoned Citizens | 596 | 6,946 | (7,500) | 42 |
| Community Care Day Funds | 3,644 | 18,328 | (11,078) | 10,894 |
| Discovery Riders | 2,289 | 7,165 | (6,640) | 2,814 |
| Dolly Parton Imagination Library | 12,568 | 20,207 | (24,221) | 8,554 |
| Girl Scouts | 1,469 | 3,882 | (5,000) | 351 |
| Heart of Ohio Homeless Shelter | 2,136 | 22,865 | (22,000) | 3,001 |
| Legal Aid Society | 4,005 | 7,526 | (11,000) | 531 |
| Loving Care Hospice | 14,103 | 28,280 | (31,000) | 11,383 |
| Maryhaven | 3,817 | 51,819 | (52,500) | 3,136 |
| Memorial Meals | 14,037 | 34,351 | (38,500) | 9,888 |
| Mental Health Association | 166 | 0 | (166) | 0 |
| North Union Personal Needs Pantry | 2,204 | 3,087 | (3,000) | 2,291 |
| Plain City Free Clinic | 1,463 | 12,488 | (1,134) | 12,817 |
| Pleasant Valley Seniors | 226 | 9,742 | (9,500) | 468 |
| Richwood Civic Center | 4,015 | 21,854 | (21,500) | 4,369 |
| Salvation Army | 6,240 | 142,467 | (145,000) | 3,707 |
| Speech, Language and Hearing | 2,171 | 4,429 | (5,000) | 1,600 |
| Turning Point | 3,164 | 23,760 | (25,000) | 1,924 |
| Union County Cancer Society | 12,700 | 21,013 | (23,000) | 10,713 |
| Union County Family YMCA | 4,229 | 23,932 | (23,500) | 4,661 |
| Union County Guardianship Services | 555 | 4,503 | (5,000) | 58 |
| Union County Health Department | 63 | 14,013 | (14,000) | 76 |
| Union County Personal Needs | 8,651 | 10,760 | (12,000) | 7,411 |
| Union County Special Needs Council | 19,099 | 5,279 | (5,575) | 18,803 |
| Windsor Community Seniors | 2,522 | 4,758 | (5,500) | 1,780 |
| Wings Enrichment Center | 3,468 | 8,526 | (11,000) | 994 |
| Youth Arts and Recreation | 1,811 | 1,697 | (1,811) | 1,697 |
| Total allocations payable | 151,574 | 588,661 | (598,508) | 141,727 |
| Out of county designations | 9,650 | 4,376 | (9,650) | 4,376 |
| Total allocations and out of county designations payable | \$ 161,224 | \$ 593,037 | \$ (608,158) | \$ 146,103 |

See Independent Auditors' Report on Supplementary Information.