

**UNITED WAY OF WILLIAMS COUNTY**

**FINANCIAL STATEMENTS**

**Years Ended March 31, 2014 and 2013**

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To the Board of Trustees  
United Way of Williams County  
Bryan, Ohio

### Independent Auditor's Report

We have audited the accompanying financial statements of United Way of Williams County (a nonprofit organization), which comprise the statements of financial position as of March 31, 2014 and March 31, 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe 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 Williams County as of March 31, 2014 and March 31, 2013, 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.

December 16, 2014

COMMITTED PARTNERS. CREATIVE SOLUTIONS.

**UNITED WAY OF WILLIAMS COUNTY**  
**STATEMENTS OF FINANCIAL POSITION**  
 March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash	\$ 409,726	\$ 374,100
Unconditional promises to give, less allowance for uncollectible promises of \$6,500 for 2014 and \$6,000 for 2013	122,668	137,830
Investments	102,168	94,184
Equipment	<u>269</u>	<u>1,111</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 634,831</u></b>	<b><u>\$ 607,225</u></b>
<b>LIABILITIES</b>		
Grants payable	\$ 187,891	\$ 162,410
Accounts payable	1,329	-
Accrued wages	1,536	1,601
Payroll withholdings	<u>976</u>	<u>898</u>
<b>TOTAL LIABILITIES</b>	191,732	164,909
<b>NET ASSETS</b>		
Unrestricted net assets	336,400	304,486
Temporarily restricted net assets		
Implied time restrictions:		
Endowment Fund - Bryan Area Foundation	2,220	-
Imagination Library	598	-
Unrestricted	<u>103,881</u>	<u>137,830</u>
Temporarily restricted net assets	106,699	137,830
<b>TOTAL NET ASSETS</b>	<b><u>443,099</u></b>	<b><u>442,316</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 634,831</u></b>	<b><u>\$ 607,225</u></b>

See accompanying notes and independent auditor's report.

**UNITED WAY OF WILLIAMS COUNTY**  
**STATEMENTS OF ACTIVITIES**  
Years Ended March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>UNRESTRICTED NET ASSETS</b>		
Support and revenue		
Gross campaign results	\$ 317,791	\$ 336,558
Less: Designations	( 43,116)	( 33,705)
Less: Allowance for uncollectible promises	( 6,500)	( 13,962)
Less: Purpose and implied time restricted contributions	<u>( 134,273)</u>	<u>( 137,830)</u>
Campaign contributions	133,902	151,061
Gifts in-kind	6,005	3,251
Blizzard auction and other special event income	16,956	-
Donation from Bryan Area Foundation	4,664	-
Interest income	329	400
Investment income	<u>2,218</u>	<u>2,310</u>
<b>TOTAL UNRESTRICTED SUPPORT AND REVENUE</b>	164,074	157,022
Net assets released from restrictions:		
Satisfaction of Imagination Library restrictions	14,972	-
Satisfaction of Feeding Williams County restrictions	10,070	-
Satisfaction of Let Me Play restrictions	32	-
Satisfaction of Bryan Area Foundation restrictions	2,500	-
Satisfaction of implied time restriction	<u>137,830</u>	<u>155,236</u>
Total net assets released from restrictions	<u>165,404</u>	<u>155,236</u>
<b>TOTAL UNRESTRICTED SUPPORT AND REVENUE AND RECLASSIFICATIONS</b>	329,478	312,258
Expenses		
Program services	225,048	168,960
Supporting services		
Management and general	31,322	29,467
Fund raising	<u>39,254</u>	<u>41,528</u>
	295,624	239,955
Donation to endowment fund at Bryan Area Foundation	<u>2,700</u>	<u>2,500</u>
<b>TOTAL EXPENSES</b>	<u>298,324</u>	<u>242,455</u>
Other change in unrestricted net assets:		
Net realized and unrealized gain on investment securities	<u>760</u>	<u>3,724</u>
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	<u>31,914</u>	<u>73,527</u>

See accompanying notes and independent auditor's report.

**UNITED WAY OF WILLIAMS COUNTY**  
**STATEMENTS OF ACTIVITIES**  
 Years Ended March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Campaign contributions	134,273	137,830
Net assets released from restrictions	<u>( 165,404)</u>	<u>( 155,236)</u>
<b>DECREASE IN</b>		
<b>TEMPORARILY RESTRICTED NET ASSETS</b>	<u>( 31,131)</u>	<u>( 17,406)</u>
<b>CHANGE IN NET ASSETS</b>	783	56,121
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>442,316</u>	<u>386,195</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 443,099</u></u>	<u><u>\$ 442,316</u></u>

See accompanying notes and independent auditor's report.

**UNITED WAY OF WILLIAMS COUNTY  
STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended March 31, 2014 and 2013

	2014			2013				
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Program service grants	\$ 202,750	\$ -	\$ -	\$ 202,750	\$ 145,684	\$ -	\$ -	\$ 145,684
Compensation and related expenses	15,992	7,997	15,992	39,981	16,969	8,485	16,969	42,423
Mileage and travel	-	-	76	76	-	-	78	78
Legal and accounting	-	6,632	-	6,632	-	6,650	-	6,650
Office supplies	249	125	249	623	635	318	635	1,588
Telephone	947	473	947	2,367	1,121	561	1,121	2,803
Equipment rent & maintenance	1,201	600	1,201	3,002	1,754	877	1,754	4,385
Rent	1,920	960	1,920	4,800	1,920	960	1,920	4,800
Insurance	545	545	545	1,635	469	469	469	1,407
Association fees	387	3,482	3,869	7,738	183	1,648	1,831	3,662
Printing and materials	194	97	9,254	9,545	45	22	14,108	14,175
Postage	107	54	4,445	4,606	153	76	2,616	2,845
Conferences and meetings	419	-	419	838	( 533)	-	( 533)	( 1,066)
Dues and subscriptions	-	74	-	74	-	71	-	71
Professional development	-	-	-	-	-	689	-	689
Taxes	-	225	-	225	-	400	-	400
Bad debt expense	-	9,890	-	9,890	-	7,962	-	7,962
Miscellaneous	-	-	-	-	163	81	163	407
Depreciation	337	168	337	842	397	198	397	992
	<u>\$ 225,048</u>	<u>\$ 31,322</u>	<u>\$ 39,254</u>	<u>\$ 295,624</u>	<u>\$ 168,960</u>	<u>\$ 29,467</u>	<u>\$ 41,528</u>	<u>\$ 239,955</u>

See accompanying notes and independent auditor's report.

**UNITED WAY OF WILLIAMS COUNTY**  
**STATEMENTS OF CASH FLOWS**  
Years Ended March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 783	\$ 56,121
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	842	992
Unrealized gain on investment securities	( 760)	( 3,154)
Realized gain on investment securities	-	( 570)
(Increase) decrease in operating assets:		
Unconditional promises to give	15,162	17,406
Increase (decrease) in operating liabilities:		
Grants payable	25,481	( 8,875)
Accounts payable	1,329	( 1,350)
Accrued wages	( 65)	170
Payroll withholdings	78	( 79)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>42,850</u>	<u>60,661</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	( 7,224)	( 18,212)
Proceeds from sale of investments	-	6,816
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>( 7,224)</u>	<u>( 11,396)</u>
<b>NET INCREASE IN CASH</b>	35,626	49,265
<b>CASH AT BEGINNING OF YEAR</b>	<u>374,100</u>	<u>324,835</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 409,726</u></u>	<u><u>\$ 374,100</u></u>

See accompanying notes and independent auditor's report.



**UNITED WAY OF WILLIAMS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Years Ended March 31, 2014 and 2013

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

The purpose of the Organization is to receive and accept property to be administered exclusively for charitable purposes for the benefit of the people in the Williams County, Ohio area.

The Organization conducts an annual campaign in the fall of each year in order to raise funds to provide resources in the provision of awards and grants to other area organizations as well as its own internal programs. The following is a description of certain programs conducted by the Organization:

Feeding Williams County - To provide food to local food pantries which is then distributed to Williams County residents whose food expense is causing financial burden on them or their family.

Imagination Library - To provide, in conjunction with the Dollywood Foundation, age appropriate books to children between birth and their fifth birthday to promote literacy.

Let Me Play - To provide participation scholarships to all area recreation programs with the goal of allowing all youth the opportunity to take part.

Basis of Accounting

The financial statements of United Way of Williams County have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash Equivalents

The Organization considers all short-term debt securities and certificates of deposit purchased with maturity of three months or less to be cash equivalents.

Promises To Give

An annual fund-raising campaign is conducted each fall to obtain donations and promises to give. Generally, unconditional promises to give are due within one year of the promise. Accordingly, unconditional promises to give are recorded at the amount the Organization expects to collect from outstanding balances at year-end. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for unconditional promises to give. After two years, uncollected campaign promises to give are written off through a charge to the valuation allowance and a credit to unconditional promises to give.

Investment Securities

Investment securities are stated at fair value as determined by the market value of individual financial instruments.

See independent auditor's report.

**UNITED WAY OF WILLIAMS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Years Ended March 31, 2014 and 2013

Campaign Contributions

Contributions are recognized when a donor contributes cash without an associated promise to give or when a donor makes a promise to give to the Organization that is, in substance, unconditional.

As a component of gross campaign results, the Organization receives and includes donor designated contributions intended to be provided directly to specified beneficiary organizations. Upon receipt of a designated asset, in accordance with FASB ASC 958-605 *Not-for-Profit Entities Revenue Recognition*, the Organization recognizes the designation as an asset, an associated liability, and excludes the designation from campaign contributions and program service expense.

Depreciation

Net of accumulated depreciation, equipment is stated at cost if purchased or, if donated, at the estimated fair value at the date of donation. Depreciation is provided primarily using the straight-line method over the estimated useful lives of the depreciable assets. The following table represents the range of estimated useful lives by major class of depreciable assets:

	<u>Estimated Useful Lives in Years</u>
Equipment	3 to 5

Income Taxes

The Organization is a not-for-profit corporation and has been determined to be an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

The federal income tax returns of the organization for 2010, 2011, 2012 and 2013 are subject to examination by the IRS, generally for three years after they were filed.

Penalties and interest assessed by income taxing authorities, if any, are included in management and general expenses of the organization.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

See independent auditor's report.

**UNITED WAY OF WILLIAMS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Years Ended March 31, 2014 and 2013

Net Asset Classifications

To ensure compliance with restrictions placed on the resources available to the Organization, accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and reporting purposes into funds established according to their nature and purposes. In the financial statements, funds that have similar characteristics have been combined into the net asset categories of permanently restricted, temporarily restricted and unrestricted.

Permanently restricted net assets contain donor-imposed restrictions that require the Organization to permanently maintain these resources but permit the Organization to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes. The Organization does not have permanently restricted net assets.

Temporarily restricted net assets contain donor-imposed restrictions that permit the Organization to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Organization.

Unrestricted net assets are not restricted by donors, or the donor-imposed restrictions have expired. In 2013 and prior, the Organization reported temporarily restricted contributions as unrestricted net assets provided the restrictions were satisfied within the same reporting period. Beginning in 2014, the Organization will report all temporarily restricted contributions and the associated satisfaction of those same restrictions as temporarily restricted even if satisfied within the same reporting period.

In-Kind Contributions

In-kind contributions are recorded as revenue and expense at estimated fair value at the time the items are received or services rendered. In-kind contributions consisting of services and products such as information technology back up and support, program supplies, and fund raising supplies provided by donors amounted to \$6,005 and \$3,251 for 2014 and 2013, respectively.

Gifts of property and equipment are considered unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Gifts of long-lived assets are recorded at the estimated fair value on the date of the gift.

Subsequent Events

The Organization performed subsequent events procedures through December 16, 2014, the date financial statements were available to be issued. The Organization has not evaluated any subsequent events after this date related to these financial statements.

See independent auditor's report.

**UNITED WAY OF WILLIAMS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
 Years Ended March 31, 2014 and 2013

**NOTE B - PROMISES TO GIVE**

Unconditional promises to give are as follows:

	<u>2014</u>	<u>2013</u>
Unrestricted promises	<u>\$ 129,168</u>	<u>\$ 143,830</u>
Receivable in less than one year	\$ 129,168	\$ 143,830
Less allowance for uncollectible promises to give	<u>( 6,500)</u>	<u>( 6,000)</u>
Net unconditional promises to give	<u>\$ 122,668</u>	<u>\$ 137,830</u>

**NOTE C - EQUIPMENT**

The equipment is stated at cost and consists of the following:

	<u>2014</u>	<u>2013</u>
Equipment	\$ 9,918	\$ 9,918
Accumulated depreciation	<u>( 9,649)</u>	<u>( 8,807)</u>
	<u>\$ 269</u>	<u>\$ 1,111</u>

The Organization capitalizes all equipment in excess of \$300.

**NOTE D - INVESTMENT INCOME**

Investment income consists of dividends and capital gains distributions of \$2,845 and investment expense of \$627 and dividends of \$2,907 and investment expenses of \$597 for 2014 and 2013, respectively.

See independent auditor's report.

**UNITED WAY OF WILLIAMS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Years Ended March 31, 2014 and 2013

**NOTE E - FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board (FASB) ASC 820, Fair Value Measurements and Disclosures, 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 FASB ASC 820 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

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.

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 March 31, 2014 or 2013.

Mutual funds - valued at the closing price reported on the active market on which the individual mutual fund is traded.

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

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended March 31, 2014 and 2013.

See independent auditor's report.

**UNITED WAY OF WILLIAMS COUNTY  
NOTES TO FINANCIAL STATEMENTS**  
Years Ended March 31, 2014 and 2013

The following tables set forth by level, within the fair value hierarchy, the Organization's assets reported at fair value on a recurring basis as of March 31, 2014 and 2013.

Assets at Fair Value as of March 31, 2014

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Available for sale:				
Mutual Funds				
Debt securities	\$ 73,531	\$ -	\$ -	\$ 73,531
Equity securities	<u>28,637</u>	<u>-</u>	<u>-</u>	<u>28,637</u>
Total assets at fair value	<u>\$102,168</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$102,168</u>

Assets at Fair Value as of March 31, 2013

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Available for sale:				
Mutual Funds				
Debt securities	\$ 68,342	\$ -	\$ -	\$ 68,342
Equity securities	<u>25,842</u>	<u>-</u>	<u>-</u>	<u>25,842</u>
Total assets at fair value	<u>\$ 94,184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,184</u>

**NOTE F - OVERHEAD RATIO**

The Organization's overhead ratio was 21.45% for 2014 and 21.19% for 2013. The overhead ratio was calculated using standards of the United Way Worldwide. The ratio is calculated by dividing the total of management and general expenses, fundraising expenses, and expenses to affiliates by total income including gross campaign results, interest income, investment income, and realized gains.

**NOTE G - ENDOWMENT FUND**

The Organization has established an endowment fund with the Bryan Area Foundation, who also is granted variance power over the endowment fund, and transferred \$2,700 and \$2,500 in 2014 and 2013, respectively. On a periodic basis, the Organization may receive an income distribution, at the sole discretion of the Bryan Area Foundation, from the endowment fund that will be used to pay for administrative expenses.

See independent auditor's report.

**UNITED WAY OF WILLIAMS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Years Ended March 31, 2014 and 2013

**NOTE H - RETIREMENT PLAN**

The Organization provides a qualified salary deferral plan under Internal Revenue Code Section 403(b) covering eligible employees who meet certain eligibility requirements. Employees may contribute a percentage of their compensation to the plan. The Company may make discretionary contributions to the plan. No discretionary contributions were made for the years ended March 31, 2014 and 2013.

**NOTE I - CONCENTRATION**

The Organization maintains a cash balance in which the balance is not insured by the Federal Deposit Insurance Corporation. The Organization's uninsured cash at March 31, 2014, was \$100,837.

**NOTE J - FUNCTIONAL ALLOCATION OF EXPENSES**

The Statements of Activities present expenses by functional classification. Certain expenses are directly allocable to a given function including, but not limited to, program service grants, printing and materials expenses for the annual campaign, and legal and accounting expenses. However, there are various expenses that are allocated based upon different methods of functional allocation. These allocation methods would include an estimate of usage of space for a given function, estimate of time by employees incurred for a given function, and an estimated benefit of services received.

The allocated costs totaled \$75,977 and \$78,421 for 2014 and 2013, respectively. Referring to the Statements of Functional Expenses, the functionally allocated line items include compensation and related expenses, office supplies, telephone, equipment rent and maintenance, rent, insurance, association fees, printing and materials, postage, conferences and meetings, miscellaneous expense, and depreciation expense.

See independent auditor's report.