

THE UNITED WAY OF HANCOCK COUNTY, INC.

FINANCIAL STATEMENTS

Years Ended March 31, 2015 and 2014

THE UNITED WAY OF HANCOCK COUNTY, INC.

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August 10, 2015

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The United Way of Hancock County, Inc.
Findlay, OH 45840

We have audited the accompanying financial statements of The United Way of Hancock County, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2015 and 2014, 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

The Organization's 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 audit. We conducted our audit 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 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 principles 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 Hancock County, Inc. as of March 31, 2015 and 2014, 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.

Ridge + Company CPA

THE UNITED WAY OF HANCOCK COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash - Unrestricted	\$ 712,258	\$ 930,157
Cash - Funds Held for Others	446,877	488,709
Certificate of Deposit	101,904	101,498
Promises to give, less allowance for uncollectible promises - NOTE 3	1,843,394	1,662,390
Accounts Receivable - Miscellaneous	21,038	210
Accounts Receivable - United Way Foundation		9,335
Prepaid Expenses	3,727	5,386
Office Furniture and Fixtures at cost, less accumulated depreciation of \$58,175 and \$55,707 - NOTE 1	42,814	42,484
Deposits	<u>93</u>	<u>93</u>
TOTAL ASSETS	<u><u>\$ 3,172,105</u></u>	<u><u>\$3,240,262</u></u>
LIABILITIES		
Accounts Payable - United Way Foundation	\$ 630	\$ -
Accounts Payable - Miscellaneous	43,037	7,109
Grants Payable - NOTE 5	1,315,869	1,376,014
Halt Hunger Initiative Payable	370,886	363,071
Due to Affiliate Organizations	31,469	29,450
Accrued Expenses	75,991	127,165
Refundable Advances	371,847	329,450
Deferred Revenue	<u>7,950</u>	<u>14,567</u>
TOTAL LIABILITIES	<u>2,217,679</u>	<u>2,246,826</u>
NET ASSETS - NOTE 4		
Unrestricted	<u>954,426</u>	<u>993,436</u>
TOTAL NET ASSETS	<u>954,426</u>	<u>993,436</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,172,105</u></u>	<u><u>\$3,240,262</u></u>

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

THE UNITED WAY OF HANCOCK COUNTY, INC.
STATEMENTS OF ACTIVITIES
Years Ended March 31, 2015 and 2014

	2015	2014
UNRESTRICTED NET ASSETS		
REVENUES, GAINS AND OTHER SUPPORT:		
Campaign revenue received for 2014 - 15	\$ 3,175,670	\$ -
Campaign revenue received for 2013 - 14		3,012,909
Less donor designations	(273,117)	(240,016)
Less allowance for uncollectibles	(135,985)	(129,264)
	2,766,568	2,643,629
Total Current Campaign Revenue	2,766,568	2,643,629
Contributions Received - Current Period	39,881	
Write-offs in excess of current year revenue		(90,227)
	2,806,449	2,553,402
Total Campaign Revenues	2,806,449	2,553,402
Realized loss from sale of investments	(427)	(512)
Investment Income	1,175	1,301
Special Events Income	60,156	53,060
Donor Designation Fees	1,820	301
Loss on disposition of assets	(1,600)	
Grant from Foundation	4,244	4,101
Other Grants		1,082
Miscellaneous Contributions/Income	2,705	2,808
	2,874,522	2,615,543
TOTAL UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT	2,874,522	2,615,543
FUNDS DISTRIBUTION, DUES AND OTHER EXPENSES:		
Grants to Partner Agencies - NOTE 8	1,811,419	1,834,202
Halt Hunger Initiative Grants	200,000	324,582
Miscellaneous Grants	25,900	25,234
Affiliated Organization Dues - NOTE 1	39,257	34,940
Program Expenses	161,339	143,698
Fund Distribution Expenses	4,253	2,014
Fund Raising Expenses	181,545	187,958
Management and General Expenses	489,819	423,551
	2,913,532	2,976,179
TOTAL FUNDS DISTRIBUTION, DUES AND OTHER EXPENSES	2,913,532	2,976,179
CHANGE IN NET ASSETS	(39,010)	(360,636)
NET ASSETS, BEGINNING OF YEAR	993,436	1,354,072
	\$ 954,426	\$ 993,436
NET ASSETS, END OF YEAR	\$ 954,426	\$ 993,436

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

THE UNITED WAY OF HANCOCK COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended March 31, 2015

	<u>Programs</u>	<u>Fund Distribution</u>	<u>Fund Raising</u>	<u>Management and General</u>	<u>Total</u>
Personnel Expenses					
Professional Salaries	\$ 69,242	\$ 1,825	\$ 77,913	\$ 210,217	\$ 359,197
Clerical Wages	6,905	182	7,770	20,965	35,822
Employee Benefits	22,703	598	25,547	68,927	117,775
Payroll Taxes	5,965	157	6,712	18,109	30,943
Total Personnel Expenses	104,815	2,762	117,942	318,218	543,737
Postage	1,145	30	1,289	3,477	5,941
Telephone	565	15	636	1,715	2,931
Meeting Expense	2,345	62	2,639	7,119	12,165
Professional Training	1,340	35	1,508	4,068	6,951
Strategic Planning Expense	2,458	65	2,765	7,462	12,750
Occupancy	7,421	196	8,350	22,529	38,496
Insurance	785	21	883	2,384	4,073
Dues	974	26	1,096	2,958	5,054
Office Supplies	3,343	88	3,761	10,148	17,340
Repairs & Maintenance - Equip.	5,528	146	6,221	16,783	28,678
Special Events	11,695	308	13,160	35,507	60,670
Professional Fees	2,460	65	2,768	7,467	12,760
Communication/Marketing	3,868	102	4,352	11,742	20,064
Campaign Expenses	9,696	256	10,910	29,436	50,298
Miscellaneous	1,798	47	2,023	5,457	9,325
Total Operating and Personnel Expenses Before Depreciation	160,236	4,224	180,303	486,470	831,233
Depreciation Expense	1,103	29	1,242	3,349	5,723
Total Operating and Personnel Expenses	\$ 161,339	\$ 4,253	\$ 181,545	\$ 489,819	\$ 836,956

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

THE UNITED WAY OF HANCOCK COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended March 31, 2014

	<u>Programs</u>	<u>Fund Distribution</u>	<u>Fund Raising</u>	<u>Management and General</u>	<u>Total</u>
Personnel Expenses					
Professional Salaries	\$ 64,112	\$ 899	\$ 83,859	\$ 188,972	\$ 337,842
Clerical Wages	4,654	65	6,087	13,716	24,522
Employee Benefits	20,613	289	26,962	60,758	108,622
Payroll Taxes	5,050	71	6,605	14,884	26,610
Total Personnel Expenses	94,429	1,324	123,513	278,330	497,596
Postage	855	12	1,119	2,521	4,507
Telephone	471	7	617	1,389	2,484
Travel	1,115	16	1,458	3,286	5,875
Conference & Meetings	894	12	1,170	2,636	4,712
Occupancy	7,376	103	9,648	21,741	38,868
Insurance	571	8	747	1,682	3,008
Dues	792	11	1,035	2,334	4,172
Office Supplies	2,094	29	2,738	6,171	11,032
Repairs & Maintenance - Equip.	4,477	63	5,856	13,197	23,593
Special Events	9,657	135	12,631	28,463	50,886
Professional Fees	2,436	34	3,186	7,179	12,835
Communication/Marketing	3,411	48	4,462	10,054	17,975
Campaign Expenses	12,274	172	16,053	36,177	64,676
Miscellaneous	2,083	29	2,726	6,141	10,979
Total Operating and Personnel Expenses Before Depreciation	142,935	2,003	186,959	421,301	753,198
Depreciation Expense	763	11	999	2,250	4,023
Total Operating and Personnel Expenses	\$ 143,698	\$ 2,014	\$ 187,958	\$ 423,551	\$ 757,221

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

THE UNITED WAY OF HANCOCK COUNTY, INC.
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (39,010)	\$ (360,636)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	5,723	4,023
Loss on Sale of Assets	1,600	
Net Realized Loss on Sale of Investments	427	512
(Increase)/Decrease in:		
Accounts Receivable	(11,493)	1,558
Accrued Interest Receivable		4
Promises to Give	(181,004)	(31,785)
Prepaid Expenses	1,659	(691)
Increase/(Decrease) in:		
Accrued Expenses	(51,174)	65,991
Grants Payable	(60,145)	84,551
Halt Hunger Initiative Payable	7,815	258,351
Due to Affiliate Organizations	2,019	(1,350)
Refundable Advances	42,397	163,026
Deferred Revenue	(6,617)	11,433
Accounts Payable	36,558	7,109
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(251,245)	202,096
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	24,947	36,322
Purchase of Securities	(25,374)	(36,834)
Proceeds from Sale of Certificate of Deposit	101,532	101,194
Purchase of Certificate of Deposit	(101,938)	(101,631)
Purchase of Equipment	(7,653)	(2,100)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(8,486)	(3,049)
NET INCREASE/(DECREASE) IN CASH	(259,731)	199,047
CASH AT BEGINNING OF YEAR	1,418,866	1,219,819
CASH AT END OF YEAR	\$ 1,159,135	\$ 1,418,866

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

THE UNITED WAY OF HANCOCK COUNTY INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – The United Way of Hancock County, Inc. is a community organization whose mission is to measurably improve lives in Hancock County. This is realized primarily by funding programs and services of nineteen partner youth, health and human care agencies, in Findlay and the surrounding communities, as well as community minded initiatives. Revenues are received primarily from corporate and individual donors during the annual campaign.

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – 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.

Office Furniture and Fixtures - Office furniture and fixtures are recorded at cost on items over \$1,000. Depreciation of office furniture and fixtures is provided on a straight-line basis over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to costs and expensed as incurred.

Promises to Give - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on a 10-year rolling average and management's analysis of specific promises made.

Tax Exemption - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization's Forms 990, *Returns of Organization Exempt from Income Tax*, for the years ending 2011, 2012 and 2013 are subject to examination by the IRS, generally for three years after they were filed.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

THE UNITED WAY OF HANCOCK COUNTY INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Payments to Affiliate Organizations - Payments to affiliate organizations (The United Way Worldwide and Ohio United Way) are set by those organizations at a predetermined percentage of campaign, and the payment is authorized by the United Way of Hancock County Board of Trustees. For the years ended March 31, 2015 and 2014, payments of \$39,257 and \$34,940 were made to these affiliate organizations.

Estimates - The preparation of financial statements in conformity with 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services - No amounts have been reflected in the statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. The Organization received more than 5,500 and 7,700 volunteer hours for the years ended March 31, 2015 and 2014.

Donated Furniture and Fixtures - Donated furniture and fixtures are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Accounts Receivable - The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to expense when that determination is made.

NOTE 2 - CONCENTRATIONS OF CONTRIBUTIONS

During 2015 and 2014, the Organization received approximately 69% and 70%, respectively, of its annual contributions from four corporations and their employees, located within Findlay and the surrounding communities.

THE UNITED WAY OF HANCOCK COUNTY INC.
NOTES TO FINANCIAL STATEMENTS
 March 31, 2015 and 2014

NOTE 3 - PROMISES TO GIVE

Promises to give are recorded in the financial statements when the promise is made. An allowance for uncollectible promises is provided based on a review of the current status of existing promises, historical collection experience and an evaluation of the effect of existing economic conditions. Included in "Promises to Give" are the following unconditional promises to give as of March 31, 2015, all due within the current year, were:

	<u>Undesignated</u>	<u>Designated</u>	<u>Total</u>	<u>Uncollectible</u>	<u>Total</u>
2014-15	\$ 1,607,532	\$ 371,847	\$ 1,979,379	\$ 135,985	\$ 1,843,394
Total	<u>\$ 1,607,532</u>	<u>\$ 371,847</u>	<u>\$ 1,979,379</u>	<u>\$ 135,985</u>	<u>\$ 1,843,394</u>

Unconditional promises to give as of March 31, 2014, all due within the current year, were:

	<u>Undesignated</u>	<u>Designated</u>	<u>Total</u>	<u>Uncollectible</u>	<u>Total</u>
2013-14	\$ 1,466,144	\$ 325,510	\$ 1,791,654	\$ 129,264	\$ 1,662,390
Total	<u>\$ 1,466,144</u>	<u>\$ 325,510</u>	<u>\$ 1,791,654</u>	<u>\$ 129,264</u>	<u>\$ 1,662,390</u>

NOTE 4 – RESTRICTIONS/LIMITATIONS NET ASSETS

The Organization's Board of Trustees has chosen to place the following limitations on unrestricted net assets:

	<u>2015</u>	<u>2014</u>
Designated for Software Replacement	\$ -0-	\$ 5,183
Board designated - general	289,840	289,840
Unrestricted	<u>664,586</u>	<u>698,413</u>
Total Unrestricted Net Assets	<u>\$ 954,426</u>	<u>\$ 993,436</u>

There were no temporarily or permanently restricted net assets as of March 31, 2015 or 2014.

THE UNITED WAY OF HANCOCK COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
 March 31, 2015 and 2014

NOTE 5 - SUMMARY OF GRANTS PAYABLE TO PARTNERS

Grants payable (grants to be paid in the subsequent year) to member partners were as follows:

	2015		2014	
	Amount	Percent	Amount	Percent
Childrens Mentoring Connection	\$ 72,675	5.52%	\$ 70,875	5.15%
Boy Scouts	36,425	2.77%	25,725	1.87%
Camp Fire Boys and Girls	97,071	7.38%	80,788	5.87%
Cancer Patient Services	90,655	6.89%	88,034	6.40%
HHWP Community				
Action Commission	190,958	14.51%	192,125	13.96%
Open Arms Council on				
Domestic Violence, Inc.	229,603	17.45%	226,191	16.44%
Appleseed Ridge Girl Scouts	42,575	3.23%	43,276	3.15%
American Red Cross			36,992	2.69%
Salvation Army			48,271	3.51%
Findlay Family YMCA	68,810	5.23%	66,569	4.84%
Hope House for the Homeless	212,600	16.15%	217,199	15.78%
Family Resource Center	98,524	7.49%	98,898	7.19%
Kidney Foundation	6,667	0.51%	7,000	0.51%
CASA/GAL	88,650	6.74%	94,050	6.83%
Century Health	39,716	3.02%	36,338	2.64%
Challenged Champions	21,414	1.63%	19,759	1.43%
Hancock County Saves	19,526	1.48%	23,924	1.74%
TOTALS	\$1,315,869	100.00%	\$ 1,376,014	100.00%

NOTE 6 - TAX DEFERRED ANNUITY

The agency has various SEP IRA plans covering all compensated employees. Employees have the option of investing with their own broker or in a plan maintained by the United Way. The Organization contributes 7% of each employees salary towards the plan. The expense recognized by the Organization was \$27,095 and \$25,288 for the years ended March 31, 2015 and 2014.

NOTE 7 - CASH FLOW INFORMATION

No amounts were paid for income taxes or interest in 2015 or 2014. There were no noncash financing activities for the years ended March 31, 2015 or 2014 and noncash investing activities consisted of \$25,374 and \$36,834 of donated securities for the years ended March 31, 2015 and 2014.

THE UNITED WAY OF HANCOCK COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
 March 31, 2015 and 2014

NOTE 8 - SUMMARY OF GRANTS PAID TO AGENCIES

Grants paid to member partners include current year grants payable (to be paid in the subsequent year), as well as special grants to member partners that were paid in the current year. These grants were paid as follows:

	2015		2014	
	Amount	Percent	Amount	Percent
Childrens Mentoring Connection	\$ 96,300	5.32%	\$ 93,500	5.10%
Boy Scouts	45,000	2.48%	36,000	1.96%
Camp Fire Boys and Girls	124,000	6.85%	108,000	5.89%
Cancer Patient Services	120,000	6.62%	115,000	6.27%
HHWP Community Action Commission	255,000	14.08%	254,000	13.85%
Open Arms Council on Domestic Violence, Inc.	305,000	16.84%	300,000	16.36%
Family Resource Center	131,490	7.26%	131,490	7.17%
Appleseed Ridge Girl Scouts	57,000	3.15%	57,000	3.11%
American Red Cross	3,110	0.17%	50,000	2.73%
Salvation Army			65,000	3.54%
CASA/GAL	120,000	6.62%	120,000	6.54%
West Ohio Food Bank			22,500	1.23%
Findlay City Schools	39,690	2.19%		
Findlay Family YMCA	91,000	5.02%	89,000	4.85%
Center for Safe and Healthy Childre	10,000	0.55%		
Century Health	64,329	3.55%	48,512	2.64%
Challenged Champions	28,000	1.55%	25,000	1.36%
Literacy Coalition			200	0.01%
Kidney Foundation	9,000	0.50%	9,000	0.49%
Hancock County Saves	27,500	1.52%	30,000	1.64%
Hope House for the Homeless	285,000	15.73%	280,000	15.26%
TOTALS	<u>\$1,811,419</u>	<u>100.00%</u>	<u>\$ 1,834,202</u>	<u>100.00%</u>

NOTE 9 - NONCOMPLIANCE WITH GRANTOR OR DONOR RESTRICTIONS

Financial awards from federal, state and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

THE UNITED WAY OF HANCOCK COUNTY INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2015 and 2014

NOTE 10 – CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances at several financial institutions located in Findlay, Ohio. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Included in the cash balance is one sweep account which is not FDIC insured, but is collateralized separately. At March 31, 2015 and 2014, the Organization's uninsured/uncollateralized cash balances totaled \$14,965 and \$2,137. The Organization regularly monitors the financial condition of the institution in which it has depository accounts and believes the risks of loss are minimal.

NOTE 11 – RELATED ENTITIES

While the Organization has a controlling interest in the United Way Foundation of Hancock County, Inc. (UWF), it does not have an economic interest. Therefore, its operations are not consolidated with the financial statements of that Organization.

The Board of Directors of the United Way of Hancock County, Inc. (UWHC) consists of members that are all also voting members of the UWF Board of Directors. These two organizations share a common focus on improving the lives of those that live in Hancock County. At March 31, 2015 UWHC owed UWF \$630, and at March 31, 2014 UWF owed UWHC \$9,335. UWF leases its building to UWHC, as further detailed in Note 13.

NOTE 12 – FAIR VALUE MEASUREMENTS

The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

Cash and cash equivalents – The carrying amount reported in the Statement of Financial Position approximates fair value because of the short maturity of those instruments.

Promises to Give – These are recorded at net realizable value in the Statement of Financial Position, since they are expected to be received in one year or less.

NOTE 13 – OPERATING LEASE

The Organization leases office space from the United Way Foundation of Hancock County, Inc., a related entity, under a noncancelable operating lease, which expired October 31, 2012. The current extension runs through October 31, 2015 and there are twenty-one, one year extensions still available under the original lease through October 31, 2036. The Foundation has agreed to a monthly lease payment of \$1,842 for the office space. Rental expense for this lease totaled \$22,104 for both the years ended March 31, 2015 and 2014, respectively.

THE UNITED WAY OF HANCOCK COUNTY INC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 14 – INVESTMENTS AT COMMUNITY FOUNDATION

The United Way of Hancock County Inc. is the beneficiary of the Margaret Foster Fund at The Hancock County Community Foundation. As of March 31, 2015 and 2014 these funds amounted to \$101,722 and \$102,109, which is made up of funds contributed by outside donors. A distribution is available to be received by the Organization at least annually. Neither the Organization nor The Community Foundation has variance power over the fund. This fund is not reported in the attached Statement of Financial Position because the Organization does not have any access to the principal of these funds.

NOTE 15 - SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 10, 2015, the date the financial statements were available to be issued.

As of July 22, 2015, the Board of the United Way of Hancock County, Inc. (UWHC) agreed to pay off the balance of the United Way Foundation of Hancock County, Inc. (UWF) note to Fifth Third Bank. In return, UWF will sign a promissory note to UWHC for an \$86,000 note, with interest at 3% per annum, due in monthly installments of \$1,545.31, starting September, 2015, through August, 2020.