

**THE UNITED WAY OF HANCOCK COUNTY, INC.**

**FINANCIAL STATEMENTS**

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

**THE UNITED WAY OF HANCOCK COUNTY, INC.**

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August 18, 2014

## **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, 2014 and 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**

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, 2014 and 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.

**THE UNITED WAY OF HANCOCK COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
 March 31, 2014 and 2013

	2014	2013
<b>ASSETS</b>		
Cash - Unrestricted	\$ 930,157	\$1,158,645
Cash - Funds Held for Others	488,709	61,174
Certificate of Deposit	101,498	101,061
Promises to give, less allowance for uncollectible promises - NOTE 3	1,662,390	1,630,605
Accounts Receivable - Miscellaneous	210	6,680
Accounts Receivable - United Way Foundation	9,335	4,423
Prepaid Expenses	5,386	4,695
Accrued Interest Receivable		4
Office Furniture and Fixtures at cost, less accumulated depreciation of \$55,707 and \$51,684 - NOTE 1	42,484	44,407
Deposits	93	93
	\$3,240,262	\$3,011,787
<b>TOTAL ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable - Miscellaneous	\$ 7,109	\$ -
Grants Payable - NOTE 5	1,376,014	1,291,463
Halt Hunger Initiative Payable	363,071	104,720
Due to Affiliate Organizations	29,450	30,800
Accrued Expenses	127,165	61,174
Refundable Advances	329,450	166,424
Deferred Revenue	14,567	3,134
	2,246,826	1,657,715
<b>TOTAL LIABILITIES</b>		
<b>NET ASSETS - NOTE 4</b>		
Unrestricted	993,436	1,354,072
<b>TOTAL NET ASSETS</b>		
	993,436	1,354,072
<b>TOTAL LIABILITIES AND NET ASSETS</b>		
	\$3,240,262	\$3,011,787

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, 2014 and 2013

	2014	2013
<b>UNRESTRICTED NET ASSETS</b>		
<b>REVENUES, GAINS AND OTHER SUPPORT:</b>		
Campaign revenue received for 2013 - 14	\$ 3,012,909	\$ -
Campaign revenue received for 2012 - 13		2,862,870
Less donor designations	(240,016)	(101,157)
Less allowance for uncollectibles	(129,264)	(138,597)
	2,643,629	2,623,116
Total Current Campaign Revenue		176,902
Contributions Received - Current Period		
Write-offs in excess of current year revenue	(90,227)	
	2,553,402	2,800,018
Total Campaign Revenues		(403)
Realized loss from sale of investments	(512)	
Investment Income	1,301	1,615
Special Events Income	53,060	50,280
Donor Designation Fees	301	479
Grant from Foundation	4,101	3,984
Returned Grants		1,796
Other Grants	1,082	
Miscellaneous Contributions/Income	2,808	3,169
	2,615,543	2,860,938
<b>TOTAL UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT</b>		2,680
Net Assets Released from Restrictions		
	2,615,543	2,863,618
<b>TOTAL UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT</b>		
<b>FUNDS DISTRIBUTION, DUES AND OTHER EXPENSES:</b>		
Grants to Partner Agencies - NOTE 8	1,834,202	1,710,740
Halt Hunger Initiative Grants	324,582	215,883
Miscellaneous Grants	25,234	3,250
Affiliated Organization Dues - NOTE 1	34,940	35,266
Program Expenses	143,698	124,050
Fund Distribution Expenses	2,014	1,738
Fund Raising Expenses	187,958	162,255
Management and General Expenses	423,551	365,637
	2,976,179	2,618,819
<b>TOTAL FUNDS DISTRIBUTION, DUES AND OTHER EXPENSES</b>		
<b>CHANGE IN UNRESTRICTED IN NET ASSETS</b>	(360,636)	244,799
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Miscellaneous Contributions/Income		1,805
Net Assets Released from Restrictions		(2,680)
	-	(875)
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>		
<b>CHANGE IN NET ASSETS</b>	(360,636)	243,924
<b>NET ASSETS, BEGINNING OF YEAR</b>	1,354,072	1,110,148
	\$ 993,436	\$ 1,354,072
<b>NET ASSETS, END OF YEAR</b>		

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

	Programs	Fund Distribution	Fund Raising	Management and General	Total
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
<b>Total Personnel Expenses</b>	<b>94,429</b>	<b>1,324</b>	<b>123,513</b>	<b>278,330</b>	<b>497,596</b>
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
Campaign Expenses	15,685	220	20,515	46,231	82,651
Miscellaneous	2,083	29	2,726	6,141	10,979
<b>Total Operating and Personnel Expenses Before Depreciation</b>	<b>142,935</b>	<b>2,003</b>	<b>186,959</b>	<b>421,301</b>	<b>753,198</b>
Depreciation Expense	763	11	999	2,250	4,023
<b>Total Operating and Personnel Expenses</b>	<b>\$ 143,698</b>	<b>\$ 2,014</b>	<b>\$ 187,958</b>	<b>\$ 423,551</b>	<b>\$ 757,221</b>

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, 2013

	<u>Programs</u>	<u>Fund Distribution</u>	<u>Fund Raising</u>	<u>Management and General</u>	<u>Total</u>
<b>Personnel Expenses</b>					
Professional Salaries	\$ 57,748	\$ 809	\$ 75,534	\$ 170,212	\$ 304,303
Clerical Wages	4,985	70	6,520	14,693	26,268
Employee Benefits	20,925	293	27,370	61,678	110,266
Payroll Taxes	4,615	65	6,037	13,603	24,320
<b>Total Personnel Expenses</b>	<b>88,273</b>	<b>1,237</b>	<b>115,461</b>	<b>260,186</b>	<b>465,157</b>
Postage	786	11	1,027	2,315	4,139
Telephone	494	7	645	1,454	2,600
Travel	799	11	1,045	2,356	4,211
Conference & Meetings	1,144	16	1,497	3,372	6,029
Occupancy	2,851	40	3,730	8,405	15,026
Insurance	237	3	309	697	1,246
Dues	519	7	679	1,531	2,736
Office Supplies	1,803	25	2,358	5,315	9,501
Repairs & Maintenance	4,254	60	5,564	12,539	22,417
Special Events	10,640	149	13,916	31,360	56,065
Professional Fees	1,770	25	2,316	5,218	9,329
Campaign Expenses	8,433	118	11,030	24,855	44,436
Miscellaneous	1,280	18	1,675	3,773	6,746
<b>Total Operating and Personnel Expenses Before Depreciation</b>	<b>123,283</b>	<b>1,727</b>	<b>161,252</b>	<b>363,376</b>	<b>649,638</b>
Depreciation Expense	767	11	1,003	2,261	4,042
<b>Total Operating and Personnel Expenses</b>	<b>\$ 124,050</b>	<b>\$ 1,738</b>	<b>\$ 162,255</b>	<b>\$ 365,637</b>	<b>\$ 653,680</b>

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, 2014 and 2013

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ (360,636)	\$ 243,924
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	4,023	4,042
Net Realized Loss on Sale of Investments	512	403
(Increase)/Decrease in:		
Accounts Receivable	1,558	16,189
Accrued Interest Receivable	4	306
Promises to Give	(31,785)	(646,191)
Prepaid Expenses	(691)	5,185
Increase/(Decrease) in:		
Accrued Expenses	65,991	(32,790)
Grants Payable	84,551	16,261
Halt Hunger Initiative Payable	258,351	104,720
Due to Affiliate Organizations	(1,350)	(4,466)
Refundable Advances	163,026	(35,587)
Deferred Revenue	11,433	(8,620)
Accounts Payable	7,109	(10,711)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>202,096</b>	<b>(347,335)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	36,322	47,145
Purchase of Securities	(36,834)	(47,548)
Proceeds from Sale of Certificate of Deposit	101,194	100,000
Purchase of Certificate of Deposit	(101,631)	(101,061)
Purchase of Equipment	(2,100)	(11,740)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(3,049)</b>	<b>(13,204)</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>	<b>199,047</b>	<b>(360,539)</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>1,219,819</b>	<b>1,580,358</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 1,418,866</b>	<b>\$ 1,219,819</b>

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

**THE UNITED WAY OF HANCOCK COUNTY INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
March 31, 2014 and 2013

***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 2010, 2011 and 2012 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, 2014 and 2013

***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, 2014 and 2013, payments of \$34,940 and \$35,266 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 7,700 volunteer hours for both the years ended March 31, 2014 and 2013.

*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 2014 and 2013, the Organization received approximately 70% and 69%, 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, 2014 and 2013

**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, 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	<u>\$ 1,466,144</u>	<u>\$ 325,510</u>	<u>\$ 1,791,654</u>	<u>\$ 129,264</u>	<u>\$ 1,662,390</u>
Total	<u>\$ 1,466,144</u>	<u>\$ 325,510</u>	<u>\$ 1,791,654</u>	<u>\$ 129,264</u>	<u>\$ 1,662,390</u>

Unconditional promises to give as of March 31, 2013, all due within the current year, were:

	<u>Undesignated</u>	<u>Designated</u>	<u>Total</u>	<u>Uncollectible</u>	<u>Total</u>
2012-13	<u>\$ 1,602,778</u>	<u>\$ 166,424</u>	<u>\$ 1,769,202</u>	<u>\$ 138,597</u>	<u>\$ 1,630,605</u>
Total	<u>\$ 1,602,778</u>	<u>\$ 166,424</u>	<u>\$ 1,769,202</u>	<u>\$ 138,597</u>	<u>\$ 1,630,605</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>2014</u>	<u>2013</u>
Designated for Software Replacement	\$ 5,183	\$ 11,329
Board designated - general	289,840	
Designated for the Halt Hunger Initiative		124,506
Unrestricted	<u>698,413</u>	<u>1,218,237</u>
Total Unrestricted Net Assets	<u>\$ 993,436</u>	<u>\$ 1,354,072</u>

There were no temporarily or permanently restricted net assets as of March 31, 2014 or 2013.

**THE UNITED WAY OF HANCOCK COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
 March 31, 2014 and 2013

**NOTE 5 - SUMMARY OF GRANTS PAYABLE TO PARTNERS**

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

	2014		2013	
	Amount	Percent	Amount	Percent
Childrens Mentoring Connection	\$ 70,875	5.15%	\$ 67,875	5.26%
Boy Scouts	25,725	1.87%	30,827	2.39%
Camp Fire Boys and Girls	80,788	5.87%	81,636	6.32%
Cancer Patient Services	88,034	6.40%	80,897	6.26%
HHWP Community Action Commission	192,125	13.96%	185,624	14.37%
Open Arms Council on Domestic Violence, Inc.	226,191	16.44%	221,427	17.15%
Appleseed Ridge Girl Scouts	43,276	3.15%	41,172	3.19%
American Red Cross	36,992	2.69%	39,023	3.02%
Salvation Army	48,271	3.51%	50,188	3.89%
Findlay Family YMCA	66,569	4.84%	67,292	5.21%
Hope House for the Homeless	217,199	15.78%	173,403	13.43%
Family Resource Center	98,898	7.19%	97,775	7.57%
Kidney Foundation	7,000	0.51%	6,000	0.46%
VFC/CASA/GAL	94,050	6.83%	77,851	6.03%
Century Health	36,338	2.64%	36,522	2.83%
Challenged Champions	19,759	1.43%	15,722	1.21%
Hancock County Saves	23,924	1.74%	18,229	1.41%
<b>TOTALS</b>	<b><u>\$1,376,014</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 1,291,463</u></b>	<b><u>100.00%</u></b>

**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 \$25,288 and \$22,177 for the years ended March 31, 2014 and 2013.

**NOTE 7 - CASH FLOW INFORMATION**

No amounts were paid for income taxes or interest in 2014 or 2013. There were no noncash financing activities for the years ended March 31, 2014 or 2013 and noncash investing activities consisted of \$36,834 and \$47,548 of donated securities for the years ended March 31, 2014 and 2013.

**THE UNITED WAY OF HANCOCK COUNTY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2014 and 2013

**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:

	2014		2013	
	Amount	Percent	Amount	Percent
Childrens Mentoring Connection	\$ 93,500	5.10%	\$ 90,500	5.29%
Boy Scouts	36,000	1.96%	39,500	2.31%
Camp Fire Boys and Girls	108,000	5.89%	108,000	6.31%
Cancer Patient Services	115,000	6.27%	105,000	6.14%
HHWP Community				
Action Commission	254,000	13.85%	247,320	14.46%
Open Arms Council on				
Domestic Violence, Inc.	300,000	16.36%	292,500	17.11%
Family Resource Center	131,490	7.17%	131,490	7.69%
Appleseed Ridge Girl Scouts	57,000	3.11%	55,000	3.21%
American Red Cross	50,000	2.73%	50,000	2.92%
Salvation Army	65,000	3.54%	65,000	3.80%
VFC/CASA/GAL	120,000	6.54%	103,000	6.02%
West Ohio Food Bank	22,500	1.23%		
Findlay Family YMCA	89,000	4.85%	87,500	5.11%
Century Health	48,512	2.64%	48,300	2.82%
Challenged Champions	25,000	1.36%	19,000	1.11%
Literacy Coalition	200	0.01%		
Kidney Foundation	9,000	0.49%	8,000	0.47%
Hancock County Saves	30,000	1.64%	22,630	1.32%
Hope House for the Homeless	280,000	15.26%	238,000	13.91%
<b>TOTALS</b>	<b>\$1,834,202</b>	<b>100.00%</b>	<b>\$ 1,710,740</b>	<b>100.00%</b>

**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, 2014 and 2013

***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, 2014 and 2013, the Organization's uninsured/uncollateralized cash balances totaled \$2,137 and \$-0-. 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, 2014 and 2013, UWF owed UWHC \$9,335 and \$4,423, respectively. 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 August 31, 2012. Per the December 14, 2012 United Way Administrative Advisory Committee minutes, the Foundation has agreed to a monthly lease payment of \$1,842 for the office space. As of August 18, 2014 the lease agreement has not been signed. Rental expense for this lease totaled \$22,104 and \$9,210 for the years ended March 31, 2014 and 2013, respectively. There are no future minimum lease payments, since the lease has not been signed.

**THE UNITED WAY OF HANCOCK COUNTY INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
March 31, 2014 and 2013

***NOTE 14 - SUBSEQUENT EVENTS***

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 18, 2014, the date the financial statements were available to be issued.