

THE UNITED WAY OF HANCOCK COUNTY, INC.

FINANCIAL STATEMENTS

Years Ended March 31, 2013 and 2012

THE UNITED WAY OF HANCOCK COUNTY, INC.

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June 28, 2013

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, 2013 and 2012, 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, 2013 and 2012, 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.

Thomas and Ridge CPAs

THE UNITED WAY OF HANCOCK COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
 March 31, 2013 and 2012

| | 2013 | 2012 |
|---|--------------|--------------|
| ASSETS | | |
| Cash - Unrestricted | \$ 1,158,645 | \$ 1,486,394 |
| Cash - Funds Held for Others | 61,174 | 93,964 |
| Certificate of Deposit | 101,061 | 100,000 |
| Promises to give, less allowance for uncollectible promises - NOTE 3 | 1,630,605 | 984,414 |
| Accounts Receivable - Miscellaneous | 6,680 | 27,292 |
| Accounts Receivable - United Way Foundation | 4,423 | |
| Prepaid Expenses | 4,695 | 9,880 |
| Accrued Interest Receivable | 4 | 310 |
| Office Furniture and Fixtures at cost, less accumulated depreciation of \$51,684 and \$47,642 - NOTE 1 | 44,407 | 36,709 |
| Deposits | 93 | 93 |
| | \$ 3,011,787 | \$ 2,739,056 |
| TOTAL ASSETS | | |
| LIABILITIES | | |
| Accounts Payable - United Way Foundation | \$ - | \$ 1,729 |
| Accounts Payable - Miscellaneous | | 8,982 |
| Grants Payable - NOTE 5 | 1,291,463 | 1,275,202 |
| Halt Hunger Initiative Payable | 104,720 | |
| Due to Affiliate Organizations | 30,800 | 35,266 |
| Accrued Expenses | 61,174 | 93,964 |
| Refundable Advances | 166,424 | 202,011 |
| Deferred Revenue | 3,134 | 11,754 |
| | 1,657,715 | 1,628,908 |
| TOTAL LIABILITIES | | |
| NET ASSETS - NOTE 4 | | |
| Unrestricted | 1,354,072 | 1,109,273 |
| Temporarily Restricted | | 875 |
| | 1,354,072 | 1,110,148 |
| TOTAL NET ASSETS | | |
| TOTAL LIABILITIES AND NET ASSETS | \$ 3,011,787 | \$ 2,739,056 |

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, 2013 and 2012

| | 2013 | 2012 |
|---|--------------|--------------|
| UNRESTRICTED NET ASSETS | | |
| REVENUES, GAINS AND OTHER SUPPORT: | | |
| Campaign revenue received for 2012 - 13 | \$ 2,862,870 | \$ - |
| Campaign revenue received for 2011 - 12 | | 2,718,346 |
| Less donor designations | (101,157) | (123,972) |
| Less allowance for uncollectibles | (138,597) | (133,380) |
| | 2,623,116 | 2,460,994 |
| Contributions Received - Current Period | 176,902 | 14,845 |
| | 2,800,018 | 2,475,839 |
| Total Campaign Revenues | | |
| Realized loss from sale of investments | (403) | (484) |
| Investment Income | 1,615 | 1,698 |
| Special Events Income | 50,280 | 54,881 |
| Donor Designation Fees | 479 | 692 |
| Loss on disposition of assets | | (3,600) |
| Grant from Foundation | 3,984 | 3,815 |
| Returned Grants | 1,796 | 15,075 |
| Other Grants | | 6,466 |
| Miscellaneous Contributions/Income | 3,169 | 1,525 |
| | 2,860,938 | 2,555,907 |
| TOTAL UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT | | |
| Net Assets Released from Restrictions | 2,680 | |
| | 2,863,618 | 2,555,907 |
| TOTAL UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT | | |
| FUNDS DISTRIBUTION, DUES AND OTHER EXPENSES: | | |
| Grants to Partner Agencies - NOTE 8 | 1,710,740 | 1,713,044 |
| Halt Hunger Initiative Grants | 215,883 | |
| Miscellaneous Grants | 3,250 | 21,778 |
| Affiliated Organization Dues - NOTE 1 | 35,266 | 41,815 |
| Program Expenses | 124,050 | 106,841 |
| Fund Distribution Expenses | 1,738 | 13,053 |
| Fund Raising Expenses | 162,255 | 173,074 |
| Management and General Expenses | 365,637 | 319,123 |
| | 2,618,819 | 2,388,728 |
| TOTAL FUNDS DISTRIBUTION, DUES AND OTHER EXPENSES | | |
| INCREASE IN UNRESTRICTED IN NET ASSETS | 244,799 | 167,179 |
| TEMPORARILY RESTRICTED NET ASSETS | | |
| Miscellaneous Contributions/Income | 1,805 | 875 |
| Net Assets Released from Restrictions | (2,680) | |
| | (875) | 875 |
| INCREASE IN TEMPORARILY RESTRICTED NET ASSETS | | |
| INCREASE IN NET ASSETS | 243,924 | 168,054 |
| NET ASSETS, BEGINNING OF YEAR | 1,110,148 | 942,094 |
| NET ASSETS, END OF YEAR | \$ 1,354,072 | \$ 1,110,148 |

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> |
|---|-------------------|------------------------------|-------------------------|-----------------------------------|-------------------|
| Personnel Expenses | | | | | |
| 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 |
| Total Personnel Expenses | 88,273 | 1,237 | 115,461 | 260,186 | 465,157 |
| 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 |
| Total Operating and Personnel Expenses Before Depreciation | 123,283 | 1,727 | 161,252 | 363,376 | 649,638 |
| Depreciation Expense | 767 | 11 | 1,003 | 2,261 | 4,042 |
| Total Operating and Personnel Expenses | \$ 124,050 | \$ 1,738 | \$ 162,255 | \$ 365,637 | \$ 653,680 |

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, 2012

| | <u>Programs</u> | <u>Fund Distribution</u> | <u>Fund Raising</u> | <u>Management and General</u> | <u>Total</u> |
|---|-------------------|------------------------------|-------------------------|-----------------------------------|-------------------|
| Personnel Expenses | | | | | |
| Professional Salaries | \$ 58,964 | \$ 7,203 | \$ 68,217 | \$ 176,115 | \$ 310,499 |
| Clerical Wages | 4,839 | 591 | 5,598 | 14,452 | 25,480 |
| Employee Benefits | 19,439 | 2,375 | 22,490 | 58,063 | 102,367 |
| Payroll Taxes | 4,682 | 572 | 5,417 | 13,986 | 24,657 |
| Total Personnel Expenses | 87,924 | 10,741 | 101,722 | 262,616 | 463,003 |
| Postage | 765 | 93 | 885 | 2,285 | 4,028 |
| Telephone | 151 | 19 | 175 | 452 | 797 |
| Travel | 313 | 38 | 363 | 936 | 1,650 |
| Conference & Meetings | 233 | 29 | 270 | 697 | 1,229 |
| Occupancy | | | | 1 | 1 |
| Insurance | 675 | 82 | 780 | 2,015 | 3,552 |
| Dues | 630 | 77 | 729 | 1,882 | 3,318 |
| Office Supplies | 2,106 | 257 | 2,437 | 6,290 | 11,090 |
| Repairs & Maintenance | 2,919 | 357 | 3,377 | 8,720 | 15,373 |
| Special Events | | | 49,465 | | 49,465 |
| Professional Fees | 1,683 | 206 | 1,948 | 5,028 | 8,865 |
| Campaign Expenses | 5,433 | 664 | 6,286 | 16,228 | 28,611 |
| Miscellaneous | 933 | 114 | 1,079 | 2,786 | 4,912 |
| Total Operating and Personnel Expenses Before Depreciation | 103,765 | 12,677 | 169,516 | 309,936 | 595,894 |
| Depreciation Expense | 3,076 | 376 | 3,558 | 9,187 | 16,197 |
| Total Operating and Personnel Expenses | \$ 106,841 | \$ 13,053 | \$ 173,074 | \$ 319,123 | \$ 612,091 |

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, 2013 and 2012

| | <u>2013</u> | <u>2012</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in Net Assets | \$ 243,924 | \$ 168,054 |
| Adjustments to reconcile change in net assets to net cash used by operating activities: | | |
| Depreciation | 4,042 | 16,197 |
| Loss on Sale of Assets | | 3,600 |
| Net Realized Loss on Sale of Investments | 403 | 484 |
| (Increase)/Decrease in: | | |
| Accounts Receivable | 16,189 | (9,104) |
| Accrued Interest Receivable | 306 | (105) |
| Promises to Give | (646,191) | (35,089) |
| Prepaid Expenses | 5,185 | (5,607) |
| Increase/(Decrease) in: | | |
| Accrued Expenses | (32,790) | 2,997 |
| Grants Payable | 16,261 | (27,164) |
| Halt Hunger Initiative Payable | 104,720 | |
| Due to Affiliate Organizations | (4,466) | 1,902 |
| Refundable Advances | (35,587) | 23,548 |
| Deferred Revenue | (8,620) | 1,694 |
| Accounts Payable | (10,711) | 8,106 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>(347,335)</u> | <u>149,513</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of investments | 47,145 | 44,368 |
| Purchase of Securities | (47,548) | (44,852) |
| Proceeds from Sale of Certificate of Deposit | 100,000 | 100,000 |
| Purchase of Certificate of Deposit | (101,061) | (100,000) |
| Purchase of Equipment | (11,740) | (10,875) |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>(13,204)</u> | <u>(11,359)</u> |
| NET INCREASE/(DECREASE) IN CASH | (360,539) | 138,154 |
| CASH AT BEGINNING OF YEAR | <u>1,580,358</u> | <u>1,442,204</u> |
| CASH AT END OF YEAR | <u>\$ 1,219,819</u> | <u>\$ 1,580,358</u> |

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

THE UNITED WAY OF HANCOCK COUNTY INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2013 and 2012

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. 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 \$500. 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 prior years' experience 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 2009, 2010 and 2011 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, 2013 and 2012

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, 2013 and 2012, payments of \$35,266 and \$41,815 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 and 3,800 volunteer hours for the years ended March 31, 2013 and 2012, respectively.

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 2013 and 2012, the Organization received approximately 69% and 68%, 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, 2013 and 2012

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, 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 | \$ 1,602,778 | \$ 166,424 | \$ 1,769,202 | \$ 138,597 | \$ 1,630,605 |
| Total | <u>\$ 1,602,778</u> | <u>\$ 166,424</u> | <u>\$ 1,769,202</u> | <u>\$ 138,597</u> | <u>\$ 1,630,605</u> |

Unconditional promises to give as of March 31, 2012, all due within the current year, were:

| | <u>Undesignated</u> | <u>Designated</u> | <u>Total</u> | <u>Uncollectible</u> | <u>Total</u> |
|---------|---------------------|-------------------|---------------------|----------------------|-------------------|
| 2011-12 | \$ 915,783 | \$ 202,011 | \$ 1,117,794 | \$ 133,380 | \$ 984,414 |
| Total | <u>\$ 915,783</u> | <u>\$ 202,011</u> | <u>\$ 1,117,794</u> | <u>\$ 133,380</u> | <u>\$ 984,414</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>2013</u> | <u>2012</u> |
|---|---------------------|---------------------|
| Designated for Software Replacement | \$ 11,329 | \$ 17,125 |
| Designated for the Halt Hunger Initiative | 124,506 | 136,301 |
| Unrestricted | <u>1,211,820</u> | <u>955,847</u> |
| Total Unrestricted Net Assets | <u>\$ 1,347,655</u> | <u>\$ 1,109,273</u> |

Temporarily restricted net assets are available for the following purposes/periods:

| | <u>2013</u> | <u>2012</u> |
|------------------------|---------------|---------------|
| Halt Hunger Initiative | <u>\$ -0-</u> | <u>\$ 875</u> |

There were no permanently restricted net assets as of March 31, 2013 or 2012.

THE UNITED WAY OF HANCOCK COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
 March 31, 2013 and 2012

NOTE 5 - SUMMARY OF GRANTS PAYABLE TO PARTNERS

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

| | 2013 | | 2012 | |
|--------------------------------|--------------------|----------------|---------------------|----------------|
| | Amount | Percent | Amount | Percent |
| Childrens Mentoring Connection | \$ 67,875 | 5.26% | \$ 67,875 | 5.32% |
| Boy Scouts | 30,827 | 2.39% | 26,021 | 2.04% |
| Camp Fire Boys and Girls | 81,636 | 6.32% | 79,092 | 6.20% |
| Cancer Patient Services | 80,897 | 6.26% | 72,309 | 5.67% |
| HHWP Community | | | | |
| Action Commission | 185,624 | 14.37% | 173,928 | 13.64% |
| Open Arms Council on | | | | |
| Domestic Violence, Inc. | 221,427 | 17.15% | 213,219 | 16.72% |
| Appleseed Ridge Girl Scouts | 41,172 | 3.19% | 41,485 | 3.25% |
| American Red Cross | 39,023 | 3.02% | 32,932 | 2.59% |
| Salvation Army | 50,188 | 3.89% | 37,032 | 2.90% |
| West Ohio Food Bank | | | 35,936 | 2.82% |
| Findlay Family YMCA | 67,292 | 5.21% | 75,623 | 5.93% |
| Hope House for the Homeless | 173,403 | 13.43% | 178,791 | 14.02% |
| Family Resource Center | 97,775 | 7.57% | 101,143 | 7.93% |
| Kidney Foundation | 6,000 | 0.46% | 6,000 | 0.47% |
| VFC/CASA | 77,851 | 6.03% | 75,447 | 5.92% |
| Century Health | 36,522 | 2.83% | 35,333 | 2.77% |
| Challenged Champions | 15,722 | 1.21% | 9,833 | 0.77% |
| Hancock County Saves | 18,229 | 1.41% | 13,203 | 1.04% |
| TOTALS | \$1,291,463 | 100.00% | \$ 1,275,202 | 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 \$22,177 and \$23,679 for the years ended March 31, 2013 and 2012.

NOTE 7 - CASH FLOW INFORMATION

No amounts were paid for income taxes or interest in 2013 or 2012. There were no noncash financing activities for the years ended March 31, 2012 or 2011 and noncash investing activities consisted of \$47,548 and \$44,852 of donated securities for the years ended March 31, 2013 and 2012.

THE UNITED WAY OF HANCOCK COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2013 and 2012

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:

| | 2013 | | 2012 | |
|---|--------------------|----------------|---------------------|----------------|
| | Amount | Percent | Amount | Percent |
| Childrens Mentoring Connection | \$ 90,500 | 5.29% | \$ 90,589 | 5.29% |
| Boy Scouts | 39,500 | 2.31% | 35,000 | 2.04% |
| Camp Fire Boys and Girls | 108,000 | 6.31% | 106,000 | 6.19% |
| Cancer Patient Services | 105,000 | 6.14% | 95,000 | 5.55% |
| HHWP Community Action Commission | 247,320 | 14.46% | 240,400 | 14.03% |
| Open Arms Council on Domestic Violence, Inc. | 292,500 | 17.11% | 285,000 | 16.64% |
| Family Resource Center | 131,490 | 7.69% | 135,490 | 7.91% |
| Appleseed Ridge Girl Scouts | 55,000 | 3.21% | 55,000 | 3.21% |
| American Red Cross | 50,000 | 2.92% | 44,400 | 2.59% |
| Salvation Army | 65,000 | 3.80% | 55,000 | 3.21% |
| VFC/CASA | 103,000 | 6.02% | 103,000 | 6.01% |
| West Ohio Food Bank | | | 43,699 | 2.55% |
| Findlay Family YMCA | 87,500 | 5.11% | 103,000 | 6.01% |
| Century Health | 48,300 | 2.82% | 47,000 | 2.74% |
| Challenged Champions | 19,000 | 1.11% | 13,500 | 0.79% |
| Kidney Foundation | 8,000 | 0.47% | 6,000 | 0.35% |
| Hancock County Saves | 22,630 | 1.32% | 19,500 | 1.14% |
| Hope House for the Homeless | 238,000 | 13.91% | 235,466 | 13.75% |
| TOTALS | \$1,710,740 | 100.00% | \$ 1,713,044 | 100.00% |

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, 2013 and 2012

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, 2013 and 2012, the Organization's uninsured/uncollateralized cash balances both totaled \$-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 in the financial statement of the 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. UWHC owed UWF \$1,729 at March 31, 2012. At March 31, 2013, UWF owed UWHC \$4,423. 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 a month for the office space. As of June 28, 2013 no official lease agreement has been signed. Rental expenses for this lease totaled \$9,210 and \$1 for the years ended March 31, 2013 and 2012, 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, 2013 and 2012

NOTE 14 - SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 28, 2013, the date the financial statements were available to be issued.