

UNITED WAY OF ADAMS COUNTY INDIANA, INC.

Financial Statements

For the years ended June 30, 2014 and 2013

UNITED WAY OF ADAMS COUNTY INDIANA, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of
United Way of Adams County Indiana, Inc.
Decatur, Indiana

We have audited the accompanying financial statements of United Way of Adams County Indiana, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 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

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 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Adams County Indiana, Inc. as of June 30, 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.

Roger Sipe CPA Firm, LLC
Roger Sipe CPA Firm, LLC

Fort Wayne, Indiana
January 9, 2015

UNITED WAY OF ADAMS COUNTY INDIANA, INC.

Statements of Financial Position
June 30, 2014 and 2013

	2014	2013
CURRENT ASSETS		
Cash and cash equivalents	\$ 17,555	\$ 29,135
Pledge receivable - net of allowance of \$18,500 (2014) and \$10,900 (2013)	49,921	58,418
Total current assets	67,476	87,553
PROPERTY AND EQUIPMENT		
Office equipment	15,390	15,390
Less: Accumulated depreciation	(15,390)	(15,390)
Total fixed assets	-	-
LONG TERM INVESTMENTS		
Savings and money market funds	283,197	144,275
Mutual fund	148,563	143,287
Annuity investments	329,812	528,012
Total long term Investments	761,572	815,574
Total assets	\$ 829,048	\$ 903,127
CURRENT LIABILITIES		
Agency allocations payable	\$ 178,700	\$ 199,675
Accounts payable	5,750	\$ -
Payroll Liabilities	1,140	943
Total current liabilities	185,590	200,618
NET ASSETS		
Unrestricted	623,708	682,759
Temporarily restricted	3,250	3,250
Permanently restricted	16,500	16,500
Total net assets	643,458	702,509
Total liabilities and net assets	\$ 829,048	\$ 903,127

See Notes to Financial Statements.

UNITED WAY OF ADAMS COUNTY INDIANA, INC.

Statements of Activities
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
REVENUE		
Campaign contributions	\$ 182,282	\$ 205,870
Bequest	-	248,693
In-kind contributions	-	425
Provision for uncollectible pledges	(18,500)	-
Interest earned	14,159	14,370
Special events:		
Proceeds	8,485	9,265
Less cost of direct benefit to donors	(2,255)	(5,404)
Unrealized gain (loss) on investments	5,276	(7,054)
Other Income	33	733
	<u>189,480</u>	<u>466,898</u>
EXPENSES		
Program services	179,403	184,970
General and administrative	47,773	44,177
Fundraising	21,355	20,972
	<u>248,531</u>	<u>250,119</u>
CHANGE IN NET ASSETS	(59,051)	216,779
NET ASSETS, BEGINNING OF YEAR	<u>702,509</u>	<u>485,730</u>
NET ASSETS, END OF YEAR	<u><u>\$ 643,458</u></u>	<u><u>\$ 702,509</u></u>

See Notes to Financial Statements.

UNITED WAY OF ADAMS COUNTY INDIANA, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2014

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel Expenses:				
Salaries and wages	\$ 3,454	\$ 17,270	\$ 13,815	\$ 34,539
Payroll taxes	264	1,321	1,057	2,642
Employee benefits	165	825	660	1,650
Total Salaries and Related Expenses	3,883	19,416	15,532	38,831
Building/Occupancy Expenses:				
Rent expense	780	3,900	3,120	7,800
Equipment rent and maintenance	278	1,389	1,112	2,779
Telephone	176	880	703	1,759
Total Building/Occupancy Expenses	1,234	6,169	4,935	12,338
Other Expenses:				
Advertising and marketing	-	510	-	510
Agency allocations	172,000	-	-	172,000
Depreciation	-	-	-	-
Dues and subscriptions	334	63	-	397
Insurance	222	1,110	888	2,220
Miscellaneous	-	6,298	-	6,298
Office supplies	-	4,251	-	4,251
Postage	-	958	-	958
Professional fees	-	5,750	-	5,750
Campaign supplies	-	3,160	-	3,160
Meals and entertainment	-	88	-	88
United Way Worldwide dues	1,730	-	-	1,730
Total Other Expenses	174,286	22,188	888	197,362
TOTAL EXPENSES	\$ 179,403	\$ 47,773	\$ 21,355	\$ 248,531

See Notes to Financial Statements.

UNITED WAY OF ADAMS COUNTY INDIANA, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2013

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel Expenses:				
Salaries and wages	\$ 3,395	\$ 16,975	\$ 13,580	\$ 33,950
Payroll taxes	260	1,299	1,038	2,597
Employee benefits	180	900	720	1,800
Total Salaries and Related Expenses	3,835	19,174	15,338	38,347
Building/Occupancy Expenses:				
Rent expense	765	3,825	3,060	7,650
Equipment rent and maintenance	252	1,255	1,004	2,511
Telephone	174	874	699	1,747
Total Building/Occupancy Expenses	1,191	5,954	4,763	11,908
Other Expenses:				
Advertising and marketing	-	1,859	-	1,859
Agency allocations	178,000	-	-	178,000
Depreciation	-	-	-	-
Dues and subscriptions	143	95	-	238
Insurance	217	1,089	871	2,177
Miscellaneous	-	3,825	-	3,825
Office supplies	-	2,372	-	2,372
Postage	-	678	-	678
Professional fees	-	5,500	-	5,500
Campaign supplies	-	3,523	-	3,523
Meals and entertainment	-	108	-	108
United Way Worldwide dues	1,584	-	-	1,584
Total Other Expenses	179,944	19,049	871	199,864
TOTAL EXPENSES	\$ 184,970	\$ 44,177	\$ 20,972	\$ 250,119

See Notes to Financial Statements.

UNITED WAY OF ADAMS COUNTY INDIANA, INC.

Statements of Cash Flows
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ (59,051)	\$ 216,779
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Provision for uncollectible pledges - net of recoveries	(7,600)	-
Realized and unrealized gains on investments, net	(19,419)	(7,294)
Changes in assets and liabilities:		
(Increase) decrease in pledges receivable	897	(31,505)
Increase (decrease) in agency allocations	(20,975)	47,575
Increase (decrease) in accounts payable	5,750	-
Increase (decrease) in payroll liabilities	197	(206)
	<hr/>	<hr/>
Cash flows provided by (used) by operating activities	(100,201)	225,349
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Funds invested in certificates of deposit	(212,273)	(98,685)
Funds invested in mutual funds	-	(150,000)
Funds released from annuity investments	212,273	-
Funds released from certificate of deposits	73,423	-
	<hr/>	<hr/>
Cash flows provided by (used) by investing activities	73,423	(248,685)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Cash flows provided by (used by) financing activities	-	-
	<hr/>	<hr/>
DECREASE IN CASH	(26,778)	(23,336)
CASH BALANCE - beginning of year	49,439	72,775
	<hr/>	<hr/>
CASH BALANCE - end of year	\$ 22,661	\$ 49,439
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See Notes to Financial Statements.

UNITED WAY OF ADAMS COUNTY INDIANA, INC.

Notes to Financial Statements

June 30, 2014 and 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Way of Adams County Indiana, Inc. (the Organization) was incorporated under the laws of the State of Indiana for the purpose of serving as a single, community-wide, voluntary fund raising and planning agency for Adams County, Indiana. As such, it serves a broad and representative number of health, welfare and other services selected from the community according to open, rational and nondiscriminatory procedures.

The Organization provides the following programs and supporting services:

Allocations to Member Agencies: Benefit community organizations who agree to abide by United Way guidelines. These organizations receive financial support based on the assessment of need by the Organization.

Special Allocations: Benefit community organizations whom the Organization chooses to support for a specific financial purpose. These supported organizations may or may not be member agencies.

Management and General: Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy through the Office of the President; secure proper administrative functioning of the Board of Directors; maintain competent legal services for the program administration of the Organization; and manage the financial and budgetary responsibilities of the Organization.

Fund Raising: Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

Basis of Presentation

In the accompanying statements of financial position, funds have been combined into fund groups in accordance with FASB ASC 958-210-45-9, "Classification of Net Assets". Under the FASB, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted

Unrestricted: Net assets that are not subject to donor-imposed stipulations.

Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by outside parties. Donor-imposed stipulations are reported as unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized.

UNITED WAY OF ADAMS COUNTY INDIANA, INC.

Notes to Financial Statements

June 30, 2014 and 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Temporarily restricted: Net assets whose use by the Organization is subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by passage of time.

Permanently restricted: Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization.

Use of Estimates

The process of preparing financial statements in conformity with the accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization includes in its cash and cash equivalents the balances of all checking accounts. Savings accounts and money market funds are held for long term purposes and are reported as investments.

Pledges Receivable

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 restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. All pledges receivable are collectible in less than one year.

Allowance for Uncollectible Accounts

If necessary, the Organization provides an allowance for uncollectible accounts, which is based on historical collection experience and management's estimate of the losses that will be incurred in the collection of all receivables.

Property and Equipment

Expenditures for property and equipment or items which substantially increase the useful life of existing assets are capitalized at cost. Depreciation is computed using the straight line method over the useful lives of the assets. Routine repairs and maintenance are expensed when incurred. Depreciation charged against income was \$0 and \$0 for the year ended June 30, 2014 and 2013, respectively.

UNITED WAY OF ADAMS COUNTY INDIANA, INC.

Notes to Financial Statements
June 30, 2014 and 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

Donated services have not been valued. No amounts have been reported in the financial statements for donated services because they do not meet the accounting guidelines for reporting. However, a substantial number of volunteers donate significant amounts of time providing the Organizations services.

In-Kind contributions

In-kind contributions of equipment and supplies are recognized as revenue and expense or capital assets and are recorded at fair market value on the date received.

Advertising

Advertising costs are charged to operations when incurred. Total advertising costs expensed during the years ended June 30, 2014 and 2013 were \$510 and \$1,859, respectively.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Reclassification

Certain reclassifications have been made to conform prior year's financial statements to the current presentation. The reclassifications have not effect on previously reported operational results.

NOTE B - CONCENTRATION OF RISK

The Organization has a potential concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The maximum deposit insurance amount is \$250,000. The Organization had approximately \$12,900 in excess of FDIC limits at June 30, 2014.

NOTE C - PLEDGES RECEIVABLE

Pledges receivable are due in less than one year. There are no multiyear pledges.

UNITED WAY OF ADAMS COUNTY INDIANA, INC.

Notes to Financial Statements

June 30, 2014 and 2013

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2014	2013
Office equipment	\$ 15,390	\$ 15,390
Less accumulated depreciation	15,390	15,390
	\$ -	\$ -

NOTE E - LONG TERM INVESTMENTS

Long term investments include savings accounts, money market funds, mutual funds and annuities equal to the total of the board designated, temporarily restricted and permanently restricted net assets. Board designated funds at June 30, 2014 and 2013 were \$741,822 and \$795,824. During the year ended June 30, 2014, the board released \$73,423 from board designated funds for current use. Temporarily and permanently restricted funds totaled \$19,750 both years.

Long term investments are as follows:

Savings and Money Market Funds

Savings totaled \$262,891 and \$123,971 and the money market funds were \$20,306 and \$20,304 at June 30, 2014 and 2013.

Annuities

Part of the board designated funds had been invested in two investment annuities.

The value of the annuity held with American Equity was \$327,812 and \$319,741 at June 30, 2014 and 2013, respectively. It matures on June 10, 2047 and has a guaranteed interest rate of 3.15% until June 10, 2016. Original cost was \$300,000.

At that time, it can be renewed at the currently offered rate or cashed in with no surrender charges.

The value of the annuity held with Fidelity and Guaranty Life Group Insurance Trust was \$0 and \$204,188 at June 30, 2014 and 2013, respectively. It was to mature on June 13, 2046 and had a guaranteed interest rate of 2% until June 13, 2014. Original cost was \$200,000. This annuity was closed in June 2014 and transferred to savings.

Mutual Funds

During the year ending June 30, 2013, the Organization received a substantial bequest from the estate of a donor. The Endowment Committee recommended investing part of the bequest in a high interest account. To that regard, \$150,000 was invested in Pimco Total Return Fund. The fair market value of the mutual fund was \$148,563 and \$143,287 at June 30, 2014 and 2013, respectively.

UNITED WAY OF ADAMS COUNTY INDIANA, INC.

Notes to Financial Statements

June 30, 2014 and 2013

NOTE F - OPERATING LEASE

The Organization leases certain of its facilities and equipment under operating leases expiring in various years. Total rental expense was \$10,529 in 2014 and \$10,161 in 2013.

NOTE G - FAIR VALUE OF OTHER FINANCIAL INSTRUMENTS

The Organization's financial instruments consist primarily of cash and cash equivalents, accounts receivable and other receivables, and accounts payable. The carrying amounts of cash and cash equivalents, accounts receivable and other receivables, and accounts payable are representative of their respective fair values due to their relatively short maturities. The Organization estimates the fair value of its annuity investments based on reported policy values.

The Organization believes the carrying value of annuity investments are representative of their respective fair values based upon its intention to hold the policies long enough to avoid early surrender charges.

NOTE H - RELATED PARTIES

Certain members of the Board of Directors are employed by organizations that have provided investing, advertising, and other services for the Organization. The fees paid for these services were based on customary and reasonable rates for such services.

The Organization pays annual dues to United Way Worldwide, the leadership and support organization for the network of community based United Ways. Those dues are used to help underwrite television advertising, defray the costs of marketing and campaign materials used locally, and support training of United Way staff. Dues expense for the years ended June 30, 2014 and 2013 was \$1,730 and \$1,584 respectively.

NOTE I - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 9, 2015, the date on which the financial statements were available to be issued.

Roger Sipe CPA Firm, LLC

5742 Coventry Lane ♦ Fort Wayne, IN 46804
(260) 432-9996 ♦ katelyn@sipecpa.com ♦ www.sipecpa.com
com

Date: 01/12/2016

Adams Landscape Management Inc.
114 W. Collins Road
Fort Wayne, IN 46825

Date	Type	Reference	Debit	Credit	Balance
12/01/15	Beginning Balance				\$4,725.00
01/12/16	Amount Due				\$4,725.00

Please return this portion with payment.

Date: 01/12/2016

ID: 111140
Adams Landscape Management Inc.
260-482-7071

Card Type: _____

Amount Due: \$4,725.00

Card #: _____ Exp Date: _____

Amount Enclosed: \$ _____

Signature: _____

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions.)

Part II, Line 10 - Other Income Detail

Fund raisers \$ **22,426**