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THE UNITED WAY OF YOUNGSTOWN AND THE MAHONING VALLEY

AUDIT OF FINANCIAL STATEMENTS

Years ended December 31, 2015 and 2014

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REPORT OF INDEPENDENT AUDITORS

BOARD OF TRUSTEES
THE UNITED WAY OF YOUNGSTOWN AND THE MAHONING VALLEY
YOUNGSTOWN, OHIO

We have audited the accompanying financial statements of The United Way of Youngstown and the Mahoning Valley (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Organization'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 Organization'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 The United Way of Youngstown and the Mahoning Valley as of December 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Canfield, Ohio
October 27, 2016

The United Way of Youngstown and the Mahoning Valley
STATEMENTS OF FINANCIAL POSITION

ASSETS	December 31,	
	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 735,216	\$ 948,956
Cash and cash equivalents--Success by Six	1,543	1,543
Cash and cash equivalents--designated pledges	168,178	152,915
Campaign pledges receivable:		
2015 Campaign, less allowance for uncollectible pledges (2015--\$150,000)	1,288,778	-
2014 Campaign, less allowance for uncollectible pledges (2014--\$84,000)	150,941	1,265,652
2013 Campaign, less allowance for uncollectible pledges (2013--\$150,000)	-	161,980
Total campaign pledges receivable	<u>1,439,719</u>	<u>1,427,632</u>
Prepaid expenses and other assets	4,423	4,450
Donated vehicle	21,678	-
TOTAL CURRENT ASSETS	2,370,757	2,535,496
INVESTMENTS	5,964,509	6,012,145
PROPERTY AND EQUIPMENT		
Land	14,327	14,327
Building and building improvements	214,756	214,756
Furniture and equipment	218,302	215,203
	<u>447,385</u>	<u>444,286</u>
Less accumulated depreciation	417,912	411,495
NET PROPERTY AND EQUIPMENT	29,473	32,791
OTHER ASSETS		
Deposit	400	400
TOTAL ASSETS	\$ 8,365,139	\$ 8,580,832

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

LIABILITIES AND NET ASSETS	December 31,	
	2015	2014
CURRENT LIABILITIES		
Designated pledges payable	\$ 453,578	\$ 382,876
Allocations payable	749,548	766,264
Other current liabilities	967	392
TOTAL CURRENT LIABILITIES	1,204,093	1,149,532
OTHER LIABILITIES		
Pension benefit liability	156,733	161,833
TOTAL LIABILITIES	1,360,826	1,311,365
NET ASSETS		
UNRESTRICTED		
Investment in fixed assets (net of depreciation)	29,473	32,791
Designated by the governing board for:		
Stabilization of agencies' funding	1,030,400	1,030,400
New programs	26,085	26,085
Emergency capital replacement	70,000	70,000
Endowment	1,327,022	1,324,770
Undesignated, available for general activities	2,085,926	2,387,733
TOTAL UNRESTRICTED NET ASSETS	4,568,906	4,871,779
TEMPORARILY RESTRICTED		
Annual campaign income designated for future periods	749,548	766,264
Other	74,742	22,834
TOTAL TEMPORARILY RESTRICTED NET ASSETS	824,290	789,098
PERMANENTLY RESTRICTED	1,611,117	1,608,590
TOTAL NET ASSETS	7,004,313	7,269,467
TOTAL LIABILITIES AND NET ASSETS	\$ 8,365,139	\$ 8,580,832

The United Way of Youngstown and the Mahoning Valley
STATEMENTS OF ACTIVITIES

	Years ended December 31,							
	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE								
Prior-year campaign contribution	\$ 331,557	\$ -	\$ -	\$ 331,557	\$ 630,086	\$ -	\$ -	\$ 630,086
Net assets released from restrictions								
Prior-year campaign contributions--net	766,846	(766,846)	-	-	774,088	(774,088)	-	-
Current-year campaign contributions--net	761,649	749,548	-	1,511,197	753,192	766,264	-	1,519,456
Contributions in kind	-	21,678	-	21,678	-	-	-	-
Net campaign revenue	1,860,052	4,380	-	1,864,432	2,157,366	(7,824)	-	2,149,542
Interest and dividend income	160,353	30,812	-	191,165	163,282	43,181	-	206,463
Net (loss)/gain on investments	(172,539)	-	2,527	(170,012)	64,771	-	70,972	135,743
Miscellaneous income	10,097	-	-	10,097	5,734	-	-	5,734
Net special event income	172,245	-	-	172,245	181,042	-	-	181,042
Net assets released from restrictions:								
Temporarily restricted investment income	-	-	-	-	61,716	(61,716)	-	-
TOTAL REVENUE	2,030,208	35,192	2,527	2,067,927	2,633,911	(26,359)	70,972	2,678,524
FUND DISTRIBUTIONS, SERVICES, DUES AND OTHER EXPENSES								
Allocations to local agencies	1,490,755	-	-	1,490,755	1,550,724	-	-	1,550,724
Other Corporation expenses:								
Program services:								
Planning and community investment	314,635	-	-	314,635	300,394	-	-	300,394
Labor	87,982	-	-	87,982	83,747	-	-	83,747
	402,617	-	-	402,617	384,141	-	-	384,141
Supporting services:								
Administration	72,315	-	-	72,315	67,384	-	-	67,384
United Way campaign	196,308	-	-	196,308	186,055	-	-	186,055
	268,623	-	-	268,623	253,439	-	-	253,439
Other expense:								
United Way National and Ohio membership dues	25,286	-	-	25,286	24,767	-	-	24,767
Community impact programs	145,800	-	-	145,800	136,427	-	-	136,427
TOTAL EXPENSES	2,333,081	-	-	2,333,081	2,349,498	-	-	2,349,498
INCREASE (DECREASE) IN NET ASSETS	(302,873)	35,192	2,527	(265,154)	284,413	(26,359)	70,972	329,026
NET ASSETS AT BEGINNING OF YEAR	4,871,779	789,098	1,608,590	7,269,467	4,587,366	815,457	1,537,618	6,940,441
NET ASSETS AT END OF YEAR	\$ 4,568,906	\$ 824,290	\$ 1,611,117	\$ 7,004,313	\$ 4,871,779	\$ 789,098	\$ 1,608,590	\$ 7,269,467

The United Way of Youngstown and the Mahoning Valley
STATEMENTS OF CASH FLOWS

	Years ended December 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (265,154)	\$ 329,026
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	6,417	7,189
Provision for uncollectible pledges	(75,000)	6,000
(Gain) loss on investments	170,012	(135,743)
Donated vehicle included in contributions	(21,678)	-
Giveaway of campaign vehicle	-	25,316
(Increase) decrease in assets:		
Campaign pledge receivables	62,913	(95,413)
Prepaid expenses and other assets	27	142
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	71,272	111,967
Allocations payable	(17,293)	(7,242)
Other liabilities	(5,100)	28,516
NET CASH FLOWS FROM OPERATING ACTIVITIES	(73,584)	269,758
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,309,738)	(1,619,211)
Proceeds from sale of investments	1,187,944	1,523,453
Purchase of property and equipment	(3,099)	(6,633)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(124,893)	(102,391)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(198,477)	167,367
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,103,414	936,047
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 904,937	\$ 1,103,414

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE A – NATURE OF OPERATIONS

The United Way of Youngstown and the Mahoning Valley is a non-profit corporation organized on February 10, 1919 under the laws of the State of Ohio principally for the purpose of soliciting donations for charitable purposes. The Organization strives to be the catalyst for collaborative, sustainable community change. The United Way sets out to create measurable impact, systemic change, and improve the lives of people of all ages. The Organization is a local Volunteer Agency that provides educational opportunities for children and their families as well as funding to various agencies within the Mahoning Valley that connect our neighbors in need to essential services in the areas of disaster, housing, safety related services and food access.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be a cash equivalent, exclusive of cash and cash equivalents held in brokerage investment accounts.

Revenue Recognition

Contributions containing donor-imposed restrictions are reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a time or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the period in which the support is recognized.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 5,800 volunteer hours per year.

Designated Pledges

Financial donor contributions designated to a specific agency without granting variance power to the Organization are not included in campaign revenue, but are recorded as a liability to the designated beneficiary.

Pledge Receivables

Pledge receivables are recognized as revenue in the period the contributions are received or promised, whichever is earlier. The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. The potential risk is limited to the amount recorded in the financial statements.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of activities. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are recorded at cost, if purchased, or fair value at the date of donation. The Organization has a capitalization policy whereby all additions over \$500 are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Depreciation amounted to \$6,417 and \$7,189 for the years ended December 31, 2015 and 2014, respectively.

Net Assets

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. Temporarily restricted net assets are those whose use has been limited by donor-imposed time restrictions or purpose restrictions. Permanently restricted net assets are net assets required by donor restriction or by law to be maintained by the Organization in perpetuity. Unrestricted net assets are all other net assets.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization's functional classification and allocation policy is based on a review of the current Organization's structure and the identification, reclassification and allocation of certain employee, facility, and departmental expenses, which serve multiple functional areas.

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expense was \$11,387 and \$13,300 in 2015 and 2014, respectively.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to enhance comparability with the current period information. Such reclassifications had no impact on the Organization's financial position, results of operations or cash flows.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE C – PLEDGE RECEIVABLES

Pledge receivables, all of which are anticipated to be collected within the next year, consist of the following as of December 31:

	2015	2014
Pledge receivables- 2015 Campaign	\$1,438,778	\$ -
Pledge receivables- 2014 Campaign	234,941	1,424,652
Pledge receivables- 2013 Campaign	-	311,980
	<u>1,673,719</u>	<u>1,736,632</u>
Less allowance for uncollectible pledges- 2015 Campaign	150,000	-
Less allowance for uncollectible pledges- 2014 Campaign	84,000	159,000
Less allowance for uncollectible pledges- 2013 Campaign	-	150,000
	<u>234,000</u>	<u>309,000</u>
Pledge receivables, net	<u>\$1,439,719</u>	<u>\$ 1,427,632</u>

NOTE D – PLEDGE ALLOCATIONS

The Executive Committee has allocated \$1,490,755 and \$1,550,724 for the years ended December 31, 2015 and 2014, respectively, to the United Way participating agencies for the agencies' 2015-2016 and 2014-2015 operations. The United Way's allocation year is a fiscal year ending June 30.

NOTE E – RESTRICTION ON NET ASSETS

Endowment Fund

The Executive Committee of the Organization created an endowment fund consisting of two components: 1) unrestricted funds containing monies to be directed by the Executive Committee and 2) donor restricted funds to be used for purposes determined by the donor. The purpose of the endowment is to support the mission of the Organization, which is to develop resources for addressing the social needs of the community. The objective of the underlying investments within the endowment fund is to allow for growth of principal balances and to provide an income stream for uses of the Organization. The endowments must not be exposed to undue credit, interest-rate nor foreign exchange risk. Unless otherwise stated in the donor agreement, the Endowment Finance Committee shall select the investment portfolio where the endowments will be invested as described in the Endowment Investment Policy of the Organization.

The Executive Committee defined the distribution policy for the endowment fund components. The board-designated endowment fund shall obtain a principal balance of \$300,000 before the principal can be used. All income, defined as actual income less any fees and excluding any gains or losses on the account, may be paid out annually and the principal of the fund shall not be invaded unless otherwise determined by a two-thirds vote of the Executive Committee. The donor restricted endowment funds are distributed based upon the wishes of the donor and vary for each fund.

The Executive Committee of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring some portion of the donor-restricted endowment to be classified as permanently restricted assets. As a result, the Organization classifies as permanently restricted net assets a) the original value of gifts donated to the permanent endowment, b) the original value of subsequent gifts to the permanent endowment, and c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument.

The United Way of Youngstown and the Mahoning Valley

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE E – RESTRICTION ON NET ASSETS (continued)

Endowment Net Asset Composition by Type of Fund as of December 31, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 74,742	\$ 1,611,117	\$ 1,685,859
Board-designated endowment funds	1,327,022	-	-	1,327,022
TOTAL FUNDS	\$ 1,327,022	\$ 74,742	\$ 1,611,117	\$ 3,012,881

Endowment Net Asset Composition by Type of Fund as of December 31, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 22,834	\$ 1,608,590	\$ 1,631,424
Board-designated endowment funds	1,324,770	-	-	1,324,770
TOTAL FUNDS	\$ 1,324,770	\$ 22,834	\$ 1,608,590	\$ 2,956,194

Changes in Endowment Net Assets for the Years Ended December 31, 2015 and 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - January 1, 2014	\$ 1,264,508	\$ 41,369	\$ 1,537,618	\$ 2,843,495
Investment return	38,154	43,181	-	81,335
Net appreciation (depreciation) (realized and unrealized)	22,108	-	70,971	93,080
Contributions	-	-	-	-
Appropriation of endowment assets for expenditure	-	(61,716)	-	(61,716)
Endowment net assets – December 31, 2014	\$ 1,324,770	\$ 22,834	\$ 1,608,590	\$ 2,956,194
Investment return	36,183	30,230	-	66,413
Net appreciation (depreciation) (realized and unrealized)	(33,931)	-	2,527	(31,404)
Contributions	-	21,678	-	-
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment net assets, December 31, 2015	\$ 1,327,022	\$ 74,742	\$ 1,611,117	\$ 3,012,881

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE F – INVESTMENTS

Investments are stated at fair value based on quoted market prices and consist of the following:

	December 31, 2015		December 31, 2014	
	Cost	Fair Value	Cost	Fair Value
Investments:				
Cash & cash equivalents	\$ 343,910	\$ 343,910	\$ 224,523	\$ 224,523
Equities	1,221,754	1,761,744	1,105,590	1,697,567
Corporate/government bonds	628,797	627,073	1,062,978	1,074,647
Mutual funds	3,028,738	3,231,782	2,613,197	3,015,408
Total Investments	\$5,223,199	\$5,964,509	\$ 5,006,288	\$ 6,012,145

Investment fees for the period ended December 31, 2015 and 2014 were \$39,950 and \$37,123, respectively.

NOTE G – FAIR VALUE MEASUREMENTS

The Organization has characterized its financial instruments, based on the priority of the inputs used to value the financial instruments, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1], and the lowest priority to unobservable inputs [Level 3]. If the inputs used to measure the investments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the financial instruments.

Financial instruments recorded in the statement of financial position are categorized based on the inputs to valuation techniques as follows:

Level 1: These are financial instruments where values are based on unadjusted quoted prices for identical sets in an active market that the Organization has the ability to access.

Level 2: These are financial instruments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the financial instruments.

Level 3: These are financial instruments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the financial instruments.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

Common Stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Valued at quoted market prices which represent the net asset value (NAV) of shares held at year end.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE G – FAIR VALUE MEASUREMENTS (continued)

Money Markets: Valued at the net asset value (NAV) of shares held by the Organization at year-end.

Corporate Bonds: Certain corporate bonds are valued at the closing price reported on the active market on which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

U.S. Government Obligations: Valued on the basis of market valuations primarily furnished by an independent pricing service which employs various evaluation methods, utilizing the most appropriate method of each security. Such market valuations may represent the last quoted price on the securities' major trading exchange, quotes received from dealers or market makers in the relevant securities, or matrix pricing.

Assets at Fair Value as of December 31, 2015				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money markets	\$ -	\$ 343,910	\$ -	\$ 343,910
Corporate bonds	-	627,073	-	627,073
Mutual funds:				
Fixed income funds	1,198,840	-	-	1,198,840
Other funds	2,032,942	-	-	2,032,942
Total mutual funds	3,231,782	-	-	3,231,782
Common stocks:				
Industrials	89,628	-	-	89,628
Telecommunications	10,183	-	-	10,183
Consumer	194,333	-	-	194,333
Other	1,467,600	-	-	1,467,600
Total common stocks	1,761,744	-	-	1,761,744
Total assets at fair value	\$ 5,337,436	\$ 970,983	\$ -	\$ 5,964,509

Assets at Fair Value as of December 31, 2014				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money markets	\$ -	\$ 224,523	\$ -	\$ 224,523
Corporate bonds	-	1,074,647	-	1,074,647
Mutual funds:				
Fixed income funds	847,421	-	-	847,421
Other funds	2,167,987	-	-	2,167,987
Total mutual funds	3,015,408	-	-	3,015,408
Common stocks:				
Industrials	97,752	-	-	97,752
Telecommunications	15,327	-	-	15,327
Consumer	212,006	-	-	212,006
Other	1,372,482	-	-	1,372,482
Total common stocks	1,697,567	-	-	1,697,567
Total assets at fair value	\$ 4,937,498	\$ 1,299,170	\$ -	\$ 6,012,145

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE H – DEFINED BENEFIT PLAN

The Corporation sponsored a defined benefit pension plan (the Plan). Full-time employees over the age of 21 were eligible to participate in the Plan. The Corporation’s policy was to contribute amounts to the Plan sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as the Corporation determined to be appropriate from time to time. Contributions were intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future.

In May 2007, the Executive Committee approved the freezing of the defined benefit plan effective June 30, 2008. All liabilities of the Plan will be paid to plan participants, beneficiaries, and others as appropriate, upon government approval of the termination and final valuation of the Plan. It is expected that the final payouts will occur in 2016.

The expected long-term rate of return on Plan assets is based on the “building block” approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27 – Selection Economic Assumptions of Measuring Pension Obligations. Based on investment policy for the pension plan in effect as of the beginning of the fiscal year, a best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on the Organization’s historical 30 year period rolling averages. An average inflation rate within the range was selected and added to the real rate of return to arrive at a best estimate range from which the expected long-term rate of return was selected.

The Organization uses a December 31 measurement date for the Plan. Summarized information for the Plan as of December 31, 2015 and 2014 is as follows:

	2015	2014
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 311,535	\$ 287,831
Service cost	11,504	4,380
Interest cost	9,518	11,600
Change due to assumption changes	(1,729)	18,556
Actuarial (gain) loss	16,003	(6,452)
Benefits disbursed	(174,564)	-
Expense charges	(11,504)	(4,380)
Benefit obligation at end of year	\$ 160,763	\$ 311,535
Change in Plan assets:		
Fair value of Plan assets at beginning of year	\$ 149,702	\$ 154,514
Actual return on Plan assets	(389)	(432)
Employer contributions	40,785	-
Benefits paid (including expense charges)	(186,068)	(4,380)
Fair value of Plan assets at end of year	\$ 4,030	\$ 149,702

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE H – DEFINED BENEFIT PLAN (continued)

Components of net periodic benefit cost:

Service cost	\$ 11,504	\$ 4,380
Interest cost on benefit obligations	9,518	11,600
Expected return on Plan assets	(7,396)	(6,854)
Recognized actuarial loss	18,808	7,848
Amortization of unrecognized transition obligation	(2,558)	(2,558)
Amount of (gain) or loss recognized due to settlement	69,155	-
Net periodic pension cost	\$ 99,031	\$ 14,416

Weighted average assumptions as of December 31, 2015 and 2014:

	2015	2014
Assumed discount rate	3.25%	3.00%
Expected rate of return on Plan assets	4.50%	4.50%

As of December 31, 2015, \$2,558 is estimated to be reclassified as net periodic benefit cost over the next year.

Items not yet recognized in net periodic pension cost:

	2015	2014
Unrecognized net (asset)	\$ (7,358)	\$ (17,906)
Unrecognized actuarial loss	71,046	144,940

The Plan is 100% invested in fixed income investments that are classified as Level 2 investments as of December 31, 2015 and 2014 under the fair value hierarchy set out by FASB ASC 820. The Organization's overall strategy is to invest in high-grade securities and other assets with a minimum risk of market value fluctuation.

As of December 31, 2015, the following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Fiscal Year	Amount
2016	\$49,000
2017	-
2018	-
2019	\$44,000
2020	-
2021-2025	\$21,000

NOTE I – DEFINED CONTRIBUTION PLAN

The Organization has a 403(b) defined contribution pension plan covering all eligible employees. Employees may defer up to \$16,500 of their annual compensation to the plan in 2015 and 2014. The Organization's contributions to the plan are based on 4% of employee wages. Total pension plan contributions were \$11,700 and \$7,542 for the years ended December 31, 2015 and 2014, respectively.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE J – RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Organization occasionally enters into transactions with affiliates of members of its Board of Trustees. These transactions primarily relate to depository relationships with financial institutions.

NOTE K – CONCENTRATION OF RISK

The Organization maintains its cash in various financial institutions which, at times, may exceed federally insured limits, of \$250,000. The Organization has not experienced any losses from such accounts, and management believes the Organization is not exposed to significant credit risk related to bank deposit accounts.

The Organization maintains a major portion of its funds in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will change will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of financial position.

Major Contributors

During 2015, the Organization received \$314,160 of its contributions from one business and its employees. At December 31, 2015, this entire amount was included in campaign pledges receivables. During 2014, the Organization received \$145,322 of its contributions from one business and its employees. At December 31, 2014, this entire amount was included in campaign pledges receivables.

NOTE L – SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 27, 2016, which is the date the financial statements were available to be issued.

The United Way of Youngstown and the Mahoning Valley
SCHEDULE OF FUNCTIONAL EXPENSES

Years ended December 31,

	2015							2014						
	Program Services			Supporting Services			Total Program and Supporting Services Expenses	Program Services			Supporting Services			Total Program and Supporting Services Expenses
	Planning and Community Investment	Labor	Total	Administration	United Way Campaign	Total		Planning and Community Investment	Labor	Total	Administration	United Way Campaign	Total	
SALARIES:														
Executive	\$ 164,960	\$ 44,677	\$ 209,637	\$ 30,930	\$ 103,100	\$ 134,030	\$ 343,667	\$ 152,228	\$ 41,229	\$ 193,457	\$ 28,543	\$ 95,143	\$ 123,686	\$ 317,143
Office	10,254	2,777	13,031	1,923	6,409	8,332	21,363	18,704	5,066	23,770	3,507	11,690	15,197	38,967
	175,214	47,454	222,668	32,853	109,509	142,362	365,030	170,932	46,295	217,227	32,050	106,833	138,883	356,110
Employee benefits	53,786	14,567	68,353	10,085	33,616	43,701	112,054	35,548	9,628	45,176	6,665	22,217	28,882	74,058
Payroll taxes	15,104	4,091	19,195	2,832	9,439	12,271	31,466	16,201	4,388	20,589	3,038	10,126	13,164	33,753
TOTAL SALARIES AND RELATED EXPENSES	244,104	66,112	310,216	45,770	152,564	198,334	508,550	222,681	60,311	282,992	41,753	139,176	180,929	463,921
Office supplies	1,601	534	2,135	355	1,067	1,422	3,557	1,939	646	2,585	431	1,293	1,724	4,309
Campaign supplies	1,827	609	2,436	406	1,218	1,624	4,060	13,989	4,663	18,652	3,109	9,326	12,435	31,087
Telephone	2,410	803	3,213	536	1,607	2,143	5,356	2,702	901	3,603	601	1,802	2,403	6,006
Postage and shipping	1,562	521	2,083	347	1,041	1,388	3,471	1,087	362	1,449	242	725	967	2,416
Utilities	2,557	852	3,409	568	1,705	2,273	5,682	2,528	843	3,371	562	1,685	2,247	5,618
Insurance	3,882	1,294	5,176	862	2,588	3,450	8,626	3,700	1,233	4,933	822	2,467	3,289	8,222
Printing and publications	5,124	1,708	6,832	1,139	3,416	4,555	11,387	5,985	1,995	7,980	1,330	3,990	5,320	13,300
Transportation and travel	6,003	2,001	8,004	1,335	4,003	5,338	13,342	3,772	1,257	5,029	838	2,515	3,353	8,382
Local meetings	6,638	2,212	8,850	1,475	4,425	5,900	14,750	5,539	1,846	7,385	1,231	3,693	4,924	12,309
Rental and maintenance of equipment and building	13,058	4,352	17,410	2,901	8,706	11,607	29,017	10,612	3,537	14,149	2,358	7,075	9,433	23,582
Membership dues and tuition	6,367	2,122	8,489	1,415	4,245	5,660	14,149	4,815	1,605	6,420	1,070	3,210	4,280	10,700
Professional fees	10,462	3,488	13,950	2,325	6,974	9,299	23,249	9,274	3,091	12,365	2,061	6,183	8,244	20,609
Investment expense	-	-	-	11,964	-	11,964	11,964	-	-	-	10,004	-	10,004	10,004
Data processing expense	4,916	-	4,916	-	-	-	4,916	7,399	-	7,399	-	-	-	7,399
Miscellaneous expense	1,236	412	1,648	275	824	1,099	2,747	1,137	379	1,516	253	758	1,011	2,527
Depreciation	2,888	962	3,850	642	1,925	2,567	6,417	3,235	1,078	4,313	719	2,157	2,876	7,189
TOTAL EXPENSES	\$ 314,635	\$ 87,982	\$ 402,617	\$ 72,315	\$ 196,308	\$ 268,623	\$ 671,240	\$ 300,394	\$ 83,747	\$ 384,141	\$ 67,384	\$ 186,055	\$ 253,439	\$ 637,580



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Certified Public Accountants & Business Consultants

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