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The United Way of Youngstown and the Mahoning Valley

AUDIT OF FINANCIAL STATEMENTS

Years ended December 31, 2014 and 2013

CONTENTS

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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, 2014 and 2013, 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 Company'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 Company'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, 2014 and 2013, and the changes in its net assets and its cash flows for the year 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.

Packer Thomas

Canfield, Ohio
October 21, 2015

The United Way of Youngstown and the Mahoning Valley

STATEMENTS OF FINANCIAL POSITION

ASSETS	December 31, 2014	2013
CURRENT ASSETS		
Cash and cash equivalents	**$ 948,956**	$ 798,664
Cash and cash equivalents--Success by Six	**1,543**	1,543
Cash and cash equivalents--designated pledges	**152,915**	135,839
Campaign pledges receivable:		
2014 Campaign, less allowance for uncollectible pledges (2014--$159,000)	**1,265,652**	-
2013 Campaign, less allowance for uncollectible pledges (2013--$150,000)	**161,980**	1,073,269
2012 Campaign, less allowance for uncollectible pledges (2012--$153,000)	**-**	264,950
Total campaign pledges receivable	**1,427,632**	1,338,219
Prepaid expenses and other assets	**4,450**	4,592
Donated vehicle	**-**	25,316
TOTAL CURRENT ASSETS	**2,535,496**	2,304,173
MARKETABLE SECURITIES	**6,012,145**	5,781,228
PROPERTY AND EQUIPMENT		
Land	**14,327**	14,327
Building and building improvements	**214,756**	211,671
Furniture and equipment	**215,203**	211,654
	444,286	437,652
Less accumulated depreciation	**411,495**	404,306
NET PROPERTY AND EQUIPMENT	**32,791**	33,346
OTHER ASSETS		
Deposit	**400**	400
TOTAL ASSETS	**$ 8,580,832**	$ 8,119,147

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

LIABILITIES AND NET ASSETS		**December 31,**		
		2014		2013
CURRENT LIABILITIES				
Designated pledges payable	**$**	**382,876**	$	271,191
Allocations payable		**766,264**		774,088
Other current liabilities		**392**		110
TOTAL CURRENT LIABILITIES		**1,149,532**		1,045,389
OTHER LIABILITIES				
Pension benefit liability		**161,833**		133,317
TOTAL LIABILITIES		**1,311,365**		1,178,706
NET ASSETS				
UNRESTRICTED				
Investment in fixed assets (net of depreciation)		**32,791**		33,346
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		**1,324,770**		1,264,508
Undesignated, available for general activities		**2,387,733**		2,163,027
TOTAL UNRESTRICTED NET ASSETS		**4,871,779**		4,587,366
TEMPORARILY RESTRICTED				
Annual campaign income designated for future periods		**766,264**		774,088
Other		**22,834**		41,369
TOTAL TEMPORARILY RESTRICTED NET ASSETS		**789,098**		815,457
PERMANENTLY RESTRICTED		**1,608,590**		1,537,618
TOTAL NET ASSETS		**7,269,467**		6,940,441
TOTAL LIABILITIES AND NET ASSETS	**$**	**8,580,832**	$	8,119,147

The United Way of Youngstown and the Mahoning Valley

STATEMENTS OF ACTIVITIES

	Years ended December 31,							
	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE								
Prior-year campaign contribution	$ 630,086	$ -	$ -	$ 630,086	$ 502,699	$ -	$ -	$ 502,699
Net assets released from restrictions								
Prior-year campaign contributions--net	774,088	(774,088)	-	-	765,294	(765,294)	-	-
Current-year campaign contributions--net	732,609	766,264	-	1,498,873	922,818	774,088	-	1,696,906
Contributions in kind	-	-	-	-	-	25,316	-	25,316
Net campaign revenue	2,136,783	(7,824)	-	2,128,959	2,190,811	34,110	-	2,224,921
Interest and dividend income	183,865	43,181	-	227,046	89,592	14,509	-	104,101
Net gain on investments	64,771	-	70,972	135,743	241,761	-	226,257	468,018
Miscellaneous income	5,734	-	-	5,734	1,349	-	-	1,349
Net special event income	181,042	-	-	181,042	141,228	-	-	141,228
Contributions	-	-	-	-	9,285	-	-	9,285
Net assets released from restrictions:								
Temporarily restricted investment income	61,716	(61,716)	-	-	7,500	(7,500)	-	-
TOTAL REVENUE	2,633,911	(26,359)	70,972	2,678,524	2,681,526	41,119	226,257	2,948,902
FUND DISTRIBUTIONS, SERVICES, DUES AND OTHER EXPENSES								
Allocations to local agencies	1,550,724	-	-	1,550,724	1,567,305	-	-	1,567,305
Other Corporation expenses:								-
Program services:								
Planning and community investment	300,394	-	-	300,394	256,574	-	-	256,574
Labor	83,747	-	-	83,747	76,678	-	-	76,678
	384,141	-	-	384,141	333,252	-	-	333,252
Supporting services:							.	
Administration	67,384	-	-	67,384	63,245	-	-	63,245
United Way campaign	186,055	-	-	186,055	189,499	-	-	189,499
	253,439	-	-	253,439	252,744	-	-	252,744
Other expense:								
United Way National and Ohio membership dues	24,767	-	-	24,767	29,736	-	-	29,736
Initiative expenses	136,427	-	-	136,427	168,240	-	-	168,240
TOTAL EXPENSES	2,349,498	-	-	2,349,498	2,351,277	-	-	2,351,277
INCREASE (DECREASE) IN NET ASSETS	284,413	(26,359)	70,972	329,026	330,249	41,119	226,257	597,625
NET ASSETS AT BEGINNING OF YEAR	4,587,366	815,457	1,537,618	6,940,441	4,257,117	774,338	1,311,361	6,342,816
NET ASSETS AT END OF YEAR	$ 4,871,779	$ 789,098	$ 1,608,590	$ 7,269,467	$ 4,587,366	$ 815,457	$ 1,537,618	$ 6,940,441

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

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

	Years ended December 31, 2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	**$ 329,026**	$ 597,625
Adjustments to reconcile increase change in net assets to net cash from operating activities:		
Depreciation	**7,189**	6,378
Provision for uncollectible pledges	**6,000**	2,441
(Gain) loss on investments	**(135,743)**	(468,018)
Donated vehicle included in contributions	**-**	(25,316)
Giveaway of campaign vehicle	**25,316**	-
(Increase) decrease in assets:		
Campaign pledge receivables	**(95,413)**	(33,603)
Prepaid expenses and other assets	**142**	74
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	**111,967**	76,502
Allocations payable	**(7,242)**	8,794
Other liabilities	**28,516**	9,130
NET CASH FLOWS FROM OPERATING ACTIVITIES	**269,758**	174,007
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	**(1,619,211)**	(887,932)
Proceeds from sale of investments	**1,523,453**	523,721
Purchase of property and equipment	**(6,633)**	(10,719)
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(102,391)**	(374,930)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**167,367**	(200,923)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**936,047**	1,136,970
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 1,103,414**	$ 936,047

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

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 Corporation 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 4,000 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.

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 $7,189 and $6,378 for the years ended December 31, 2014 and 2013, 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.

With few exceptions, the Organization is no longer subject to U.S. Federal, State and Local income tax examinations by tax authorities for years prior to 2011.

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 $13,300 and $13,449 in 2014 and 2013, 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.

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:

	2014	2013
Pledge receivables- 2014 Campaign	$1,424,652	$ -
Pledge receivables- 2013 Campaign	311,980	1,223,269
Pledge receivables- 2012 Campaign	-	417,950
	1,736,632	1,641,219
Less allowance for uncollectible pledges- 2014 Campaign	159,000	-
Less allowance for uncollectible pledges- 2013 Campaign	150,000	150,000
Less allowance for uncollectible pledges- 2012 Campaign	-	153,000
	309,000	303,000
Pledge receivables, net	$1,427,632	$ 1,338,219

NOTE D – PLEDGE ALLOCATIONS

The Executive Committee has allocated $1,550,724 and $1,567,305 for the years ended December 31, 2014 and 2013, respectively, to the United Way participating agencies for the agencies' 2014-2015 and 2013-2014 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.

NOTE E – RESTRICTION ON NET ASSETS (continued)

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

Endowment Net Asset Composition by Type of Fund as of December 31, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 41,369	$ 1,537,618	$ 1,578,987
Board-designated endowment funds	1,264,508	-	-	1,264,508
TOTAL FUNDS	$ 1,264,508	$ 41,369	$ 1,537,618	$ 2,843,495

Changes in Endowment Net Assets for the Years Ended December 31, 2014 and 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - January 1, 2013	$ 1,099,597	$ 9,044	$ 1,311,361	$ 2,420,002
Investment return	27,654	14,509	-	42,163
Net appreciation (depreciation) (realized and unrealized)	148,268	-	226,257	374,525
Contributions	-	25,316	-	25,316
Appropriation of endowment assets for expenditure	(11,011)	(7,500)	-	(18,511)
Endowment net assets – December 31, 2013	$ 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	-	70,972	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

NOTE F – INVESTMENTS

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

	December 31, 2014		December 31, 2013	
	Cost	**Fair Value**	Cost	Fair Value
Investments:				
Cash & cash equivalents	**$ 224,523**	**$ 224,523**	$ 289,029	$ 289,030
Equities	**1,105,590**	**1,697,567**	1,216,290	1,869,359
Corporate/government bonds	**1,062,978**	**1,074,647**	1,007,986	1,028,973
Mutual funds	**2,613,197**	**3,015,408**	2,076,386	2,593,866
Total Short-term Investments	**$5,006,288**	**$6,012,145**	$ 4,589,691	$ 5,781,228

Investment fees for the period ended December 31, 2014 and 2013 were $27,118 and $24,885, 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, 2014 and 2013.

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.

NOTE G – FAIR VALUE MEASUREMENTS (continued)

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, 2014			
	Level 1	Level 2	Level 3	Total
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	$ 1,074,647	$ -	$ 6,012,145

	Assets at Fair Value as of December 31, 2013			
	Level 1	Level 2	Level 3	Total
Money markets	$ 289,029	$ -	$ -	$ 289,029
Corporate bonds	-	1,028,973	-	1,028,973
Mutual funds:		-	-	
Fixed income funds	690,095	-	-	690,095
Other funds	1,903,771	-	-	1,903,771
Total mutual funds	2,593,866	-	-	2,593,866
Common stocks:				
Industrials	101,316	-	-	101,316
Telecommunications	32,511	-	-	32,511
Consumer	186,087	-	-	186,087
Other	1,549,446	-	-	1,549,446
Total common stocks	1,869,360	-	-	1,869,360
Total assets at fair value	$ 4,752,255	$ 1,028,973	$ -	$ 5,781,228

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, 2014 and 2013 is as follows:

	2014	2013
Change in benefit obligation:		
Benefit obligation at beginning of year	**$ 287,831**	$ 282,086
Service cost	**4,380**	4,835
Interest cost	**11,600**	9,845
Change due to assumption changes	**18,556**	(37)
Actuarial (gain) loss	**(6,452)**	2,353
Benefits disbursed	**-**	(6,416)
Expense charges	**(4,380)**	(4,835)
Benefit obligation at end of year	**$ 311,535**	$ 287,831
Change in Plan assets:		
Fair value of Plan assets at beginning of year	**$ 154,514**	$ 157,899
Actual return on Plan assets	**(432)**	(494)
Employer contributions	**-**	8,360
Benefits paid (including expense charges)	**(4,380)**	(11,251)
Fair value of Plan assets at end of year	**$ 149,702**	$ 154,514
Components of net periodic benefit cost:		
Service cost	**$ 4,380**	$ 4,835
Interest cost on benefit obligations	**11,600**	9,845
Expected return on Plan assets	**(6,854)**	(7,823)
Recognized actuarial loss	**7,848**	7,094
Amortization of unrecognized transition obligation	**(2,558)**	(2,558)
Net periodic pension cost	**$ 14,416**	$ 11,393

NOTE H – DEFINED BENEFIT PLAN (continued)

Weighted average assumptions as of December 31, 2014 and 2013:

	2014	2013
Assumed discount rate	**3.00%**	3.50%
Expected rate of return on Plan assets	**4.50%**	5.00%

As of December 31, 2014, $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:

	2014	2013
Unrecognized net (asset)	**$ (17,906)**	$ (20,464)
Unrecognized actuarial loss	**144,940**	133,398

The Plan is 100% invested in fixed income investments that are classified as Level 2 investments as of December 31, 2014 and 2013 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, 2014, the following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Fiscal Year	**Amount**
2015	$81,000
2016	-
2017	-
2018	-
2019	$44,000
2020-2024	$178,000

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 2014 and 2013. The Organization's contributions to the plan are based on 4% of employee wages. Total pension plan contributions were $7,542 and $11,838 for the years ended December 31, 2014 and 2013, respectively.

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 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. During 2013, the Organization received $135,486 of its contributions from one business and its employees. At December 31, 2013, 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 21, 2015, 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,													
	2014							2013						
	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	$ 152,228	$ 41,229	$ 193,457	$ 28,543	$ 95,143	$ 123,686	$ 317,143	$ 137,890	$ 40,740	$ 178,630	$ 28,205	$ 106,551	$ 134,756	$ 313,386
Office	18,704	5,066	23,770	3,507	11,690	15,197	38,967	12,906	3,813	16,719	2,640	9,973	12,613	29,332
	170,932	46,295	217,227	32,050	106,833	138,883	356,110	150,796	44,553	195,349	30,845	116,524	147,369	342,718
										-				
Employee benefits	35,548	9,628	45,176	6,665	22,217	28,882	74,058	33,300	9,839	43,139	6,811	25,732	32,543	75,682
Payroll taxes	16,201	4,388	20,589	3,038	10,126	13,164	33,753	14,690	4,340	19,030	3,005	11,352	14,357	33,387
										-				
TOTAL SALARIES AND RELATED EXPENSES	222,681	60,311	282,992	41,753	139,176	180,929	463,921	198,786	58,732	257,518	40,661	153,608	194,269	451,787
Office supplies	1,939	646	2,585	431	1,293	1,724	4,309	4,049	1,350	5,399	900	2,699	3,599	8,998
Campaign supplies	13,989	4,663	18,652	3,109	9,326	12,435	31,087	-	-	-	-	-	-	-
Telephone	2,702	901	3,603	601	1,802	2,403	6,006	2,685	895	3,580	597	1,790	2,387	5,967
Postage and shipping	1,087	362	1,449	242	725	967	2,416	1,630	543	2,173	362	1,087	1,449	3,622
Utilities	2,528	843	3,371	562	1,685	2,247	5,618	2,548	849	3,397	566	1,699	2,265	5,662
Insurance	3,700	1,233	4,933	822	2,467	3,289	8,222	3,451	1,150	4,601	767	2,300	3,067	7,668
Printing and publications	5,985	1,995	7,980	1,330	3,990	5,320	13,300	6,052	2,017	8,069	1,345	4,035	5,380	13,449
Transportation and travel	3,772	1,257	5,029	838	2,515	3,353	8,382	3,520	1,173	4,693	782	2,347	3,129	7,822
Local meetings	5,539	1,846	7,385	1,231	3,693	4,924	12,309	3,779	1,260	5,039	840	2,519	3,359	8,398
Rental and maintenance of equipment and building	10,612	3,537	14,149	2,358	7,075	9,433	23,582	11,774	3,925	15,699	2,616	7,849	10,465	26,164
Membership dues and tuition	4,815	1,605	6,420	1,070	3,210	4,280	10,700	2,100	700	2,800	467	1,400	1,867	4,667
Professional fees	9,274	3,091	12,365	2,061	6,183	8,244	20,609	8,387	2,796	11,183	1,864	5,592	7,456	18,639
Investment expense	-	-	-	10,004	-	10,004	10,004	-	-	-	10,620	-	10,620	10,620
Data processing expense	7,399	-	7,399	-	-	-	7,399	3,951	-	3,951	-	0	-	3,951
Miscellaneous expense	1,137	379	1,516	253	758	1,011	2,527	992	331.00	1,323	220	661	881	2,204
Depreciation	3,235	1,078	4,313	719	2,157	2,876	7,189	2,870	957	3,827	638	1,913	2,551	6,378
TOTAL EXPENSES	$ 300,394	$ 83,747	$ 384,141	$ 67,384	$ 186,055	$ 253,439	$ 637,580	$ 256,574	$ 76,678	$ 333,252	$ 63,245	$ 189,499	$ 252,744	$ 585,996

PACKER · THOMAS

Certified Public Accountants & Business Consultants

PROVEN TRUE.

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