

AUDITED FINANCIAL STATEMENTS
OF
HUNTINGDON COUNTY UNITED WAY, INC.
HUNTINGDON, PENNSYLVANIA
For the Years Ended
February 28, 2015 and February 28, 2014

HUNTINGDON COUNTY UNITED WAY, INC.
FINANCIAL STATEMENTS
February 28, 2015 and February 28, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Huntingdon County United Way, Inc.

We have audited the accompanying financial statements of Huntingdon County United Way, Inc. (a Pennsylvania nonprofit corporation), which comprise the statements of financial position as of February 28, 2015 and February 28, 2014, 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 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 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 Huntingdon County United Way, Inc. as of February 28, 2015 and February 28, 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.

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Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of allocations to member agencies and of pledge receivables on pages 18 through 21 are presented for purposes of additional analysis and are 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 audit 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.

CPA Associates

CPA Associates
Certified Public Accountants
Huntingdon, PA

August 28, 2015

FINANCIAL STATEMENTS

HUNTINGDON COUNTY UNITED WAY, INC.
STATEMENTS OF FINANCIAL POSITION
February 28, 2015 and February 28, 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Current Assets		
Cash and Cash Equivalents	\$ 103,800	\$ 132,885
Investments	114,121	72,992
Pledges Receivable (Net of Allowance for Uncollectible Pledges of \$12,143 and \$11,626, Respectively)	228,283	215,441
Other Receivables	6,444	5,090
Prepaid Expenses	<u>2,314</u>	<u>2,151</u>
Total Current Assets	454,962	428,559
Furniture & Equipment		
Furniture & Equipment	22,272	22,272
Accumulated Depreciation	<u>(19,761)</u>	<u>(18,574)</u>
Net Furniture & Equipment	2,511	3,698
Other Assets		
Restricted Investments	6,869	6,353
Cash Held on Deposit - Bond Collateral	160	160
TOTAL ASSETS	<u>\$ 464,502</u>	<u>\$ 438,770</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Current Liabilities		
Accrued Expenses	\$ 387	\$ 356
Allocations Payable to Member Agencies	77,729	73,485
Designations Payable	6,534	6,332
Deferred Revenue	1,630	1,149
Payroll Related Liabilities	1,118	496
Other Current Liabilities	- 0 -	- 0 -
Current Portion of Lease Obligation	<u>1,122</u>	<u>990</u>
Total Current Liabilities	88,520	82,808
Noncurrent Liabilities		
Capital Lease Obligation	<u>1,500</u>	<u>2,623</u>
TOTAL LIABILITIES	90,020	85,431
NET ASSETS		
Restricted - Permanent Endowment	993	993
Temporarily Restricted	5,876	5,360
Unrestricted Net Assets	<u>367,613</u>	<u>346,986</u>
TOTAL NET ASSETS	<u>374,482</u>	<u>353,339</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 464,502</u>	<u>\$ 438,770</u>

See accompanying notes and auditor's report.

HUNTINGDON COUNTY UNITED WAY, INC
STATEMENTS OF ACTIVITIES
For the Years Ended February 28, 2015 and February 28, 2014

	<u>2015</u>	<u>2014</u>
<u>UNRESTRICTED NET ASSETS</u>		
SUPPORT AND REVENUE		
Gross Campaign Results	\$ 385,425	\$ 350,156
Less: Donor Designations	(121,877)	(102,788)
Less: Provision for Uncollectible Accounts	(9,654)	(18,203)
Net Campaign Revenue	<u>253,894</u>	<u>229,165</u>
Designations from Other United Ways	26,008	32,792
Special Events	25,408	17,365
Less: Direct Costs of Special Events	(13,857)	(9,965)
Net Special Event Revenues	<u>11,551</u>	<u>7,400</u>
Other Revenues:		
Designation Service Fees	689	637
Interest Income	724	747
Dividend Income	145	145
Gain (Loss) on Investments - Realized & Unrealized	340	1,064
Net Assets Released from Restrictions	<u>312</u>	<u>302</u>
TOTAL UNRESTRICTED REVENUES AND GAINS (LOSSES)	293,663	272,252
EXPENSES		
PROGRAM SERVICES		
Gross Funds Awarded/Distributed	328,329	312,249
Less: Designations	(121,877)	(102,788)
Net Funds Awarded/Distributed	<u>206,452</u>	<u>209,461</u>
Other Program Costs	<u>10,069</u>	<u>6,434</u>
TOTAL PROGRAM SERVICE EXPENSE	216,521	215,895
SUPPORTING SERVICES		
Management & General	29,833	32,300
Fundraising	23,540	26,006
United Way of America Dues	<u>3,142</u>	<u>3,175</u>
TOTAL SUPPORTING SERVICES	56,515	61,481
TOTAL EXPENSES	273,036	277,376
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	20,627	(5,124)
<u>TEMPORARILY RESTRICTED NET ASSETS</u>		
Dividend Income	312	302
Unrealized Gain (Loss) on Investment	516	(399)
Net Assets Released from Restrictions	<u>(312)</u>	<u>(302)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	516	(399)
INCREASE (DECREASE) IN NET ASSETS	21,143	(5,523)
NET ASSETS AT BEGINNING OF YEAR	<u>353,339</u>	<u>358,862</u>
NET ASSETS AT END OF YEAR	\$ 374,482	\$ 353,339

See accompanying notes and auditor's report.

HUNTINGDON COUNTY UNITED WAY, INC
STATEMENTS OF CASH FLOWS
For the Years Ended February 28, 2015 and February 28, 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 21,143	\$ (5,523)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,187	1,367
Stock Pledges Received	- 0 -	(1,044)
Unrealized (Gain) Loss on Investments	(856)	(665)
Interest Earned on Investments Held	(608)	(673)
(Increase) Decrease in:		
Pledges Receivable	(12,842)	1,249
Other Receivables	(1,354)	5,121
Prepaid Expenses	(165)	1,531
Increase (Decrease) in:		
Accounts Payable	- 0 -	(77)
Other Allocations Payable	- 0 -	(1,244)
Accrued Expenses	31	(461)
Deferred Revenue	481	(76)
Payroll Related Liabilities	622	(1,629)
Other Current Liabilities	- 0 -	(1,384)
Designations Payable - Member Agencies	4,244	8,018
Other Designations Payable	202	(647)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>12,085</u>	<u>3,863</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Redemption of Certificates of Deposit	- 0 -	41,459
Amounts Invested in Certificates of Deposit	(40,179)	(15,000)
Proceeds of Sale of Stock	- 0 -	1,044
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(40,179)</u>	<u>27,503</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Lease Obligation	(991)	(873)
NET CASH USED BY FINANCING ACTIVITIES	<u>(991)</u>	<u>(873)</u>
TOTAL INCREASE (DECREASE) IN CASH	<u>(29,085)</u>	<u>30,493</u>
CASH AT BEGINNING OF YEAR	<u>132,885</u>	<u>102,392</u>
CASH AT END OF YEAR	<u><u>\$ 103,800</u></u>	<u><u>\$ 132,885</u></u>
Supplemental Disclosures		
Interest paid during the year	\$ 399	\$ 515

See accompanying notes and auditor's report.

HUNTINGDON COUNTY UNITED WAY, INC
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ending February 28, 2015

	Program Services	Management and General	Fund Raising	Total
Salaries and Wages	\$ 5,613	\$ 14,052	\$ 12,535	\$ 32,200
Employee Bonus	217	546	487	1,250
Payroll Taxes	446	1,117	996	2,559
Sub-Total	6,276	15,715	14,018	36,009
Conferences and Mailings	- 0 -	230	- 0 -	230
Contract Services	- 0 -	- 0 -	495	495
Office Supplies	178	446	398	1,022
Printing & Copying	246	616	549	1,411
Postage & Shipping	289	721	643	1,653
Telephone and Networks	254	637	568	1,459
Utilities	116	290	259	665
Equipment and Software	186	466	415	1,067
Rent	941	2,357	2,102	5,400
Travel	297	742	662	1,701
Campaign Supplies	- 0 -	- 0 -	559	559
Insurance	313	783	699	1,795
Professional Services	- 0 -	4,395	- 0 -	4,395
Advertising	96	240	214	550
Fees and Licenses	98	246	219	563
Dues and Subscriptions	136	341	304	781
Miscellaneous	91	228	204	523
Dues to PA United Way	174	436	390	1,000
Website Maintenance	101	252	225	578
Sub-Total	3,516	13,426	8,905	25,847
Depreciation Expense	207	518	462	1,187
Interest Expense	70	174	155	399
TOTAL OPERATIONS	10,069	29,833	23,540	63,442
Allocations/Awards	328,329	- 0 -	- 0 -	328,329
(Less Donor Designations)	(121,877)	- 0 -	- 0 -	(121,877)
Net Funds Allocated/Awarded	206,452	- 0 -	- 0 -	206,452
TOTAL EXPENSE	\$ 216,521	\$ 29,833	\$ 23,540	\$ 269,894

See accompanying notes and auditor's report.

HUNTINGDON COUNTY UNITED WAY, INC
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ending February 28, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and Wages	\$ 3,654	\$ 14,974	\$ 13,696	\$ 32,324
Payroll Taxes	280	1,145	1,048	2,473
Sub-Total	3,934	16,119	14,744	34,797
Conferences and Mailings	- 0 -	272	- 0 -	272
Contract Services	- 0 -	- 0 -	699	699
Office Supplies	129	527	482	1,137
Printing & Copying	175	718	657	1,551
Postage & Shipping	195	799	731	1,725
Telephone and Networks	178	730	668	1,576
Utilities	77	315	288	681
Equipment and Software	292	1,196	1,094	2,582
Rent	610	2,501	2,288	5,400
Travel	- 0 -	1,418	- 0 -	1,418
Campaign Supplies	- 0 -	- 0 -	1,191	1,191
Insurance	193	792	724	1,709
Professional Services	- 0 -	4,245	- 0 -	4,245
Advertising	90	371	339	800
Fees and Licenses	63	256	234	553
Dues and Subscriptions	97	399	365	861
Miscellaneous	19	76	70	165
Dues to PA United Way	113	463	424	1,000
Website Maintenance	56	229	210	495
Sub-Total	2,287	15,309	10,464	28,061
Depreciation Expense	155	633	579	1,367
Interest Expense	58	239	218	515
TOTAL OPERATIONS	6,434	32,300	26,006	64,740
Allocations/Awards	312,249	- 0 -	- 0 -	312,249
(Less Donor Designations)	(102,788)	- 0 -	- 0 -	(102,788)
Net Funds Allocated/Awarded	209,461	- 0 -	- 0 -	209,461
TOTAL EXPENSE	\$ 215,895	\$ 32,300	\$ 26,006	\$ 274,201

See accompanying notes and auditor's report.

NOTES TO THE FINANCIAL STATEMENTS

HUNTINGDON COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2015 and February 28, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Huntingdon County United Way, Inc. (the Organization), is presented to assist in the understanding of the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of the Reporting Entity

The Huntingdon County United Way is a not-for-profit organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. It is affiliated with the United Way of Pennsylvania and the United Way of America. It is governed by an all-volunteer Board of Directors that employs an executive director to manage day-to-day operations.

The Organization solicits pledges from the general public through an annual campaign fund drive. All pledges received are allocated, except for a small portion necessary to cover basic management, general and fundraising costs, to member agencies serving the residents of Huntingdon County.

Organizational Mission Statement

The purpose of the Huntingdon County United Way is to improve lives and build stronger communities within Huntingdon County by raising funds to support beneficiary organizations that serve the people of Huntingdon County.

Basis of Accounting

The financial statements of the Organization are prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. Revenues are recognized in the accounting period in which they are earned and expenditures are recognized in the accounting period in which the liability is incurred.

Financial Statement Presentation

The Organization has adopted the Not-For-Profit Entities *Revenue Recognition* Topic of the Financial Accounting Standards Board. In accordance with this topic, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Temporarily restricted contributions whose restrictions are met in the same fiscal year as the year of receipt are presented as unrestricted contributions.

The Organization has also adopted the Not-For-Profit Entities *Presentation of Financial Statements* Topic of the Financial Accounting Standards Board. Under the Topic, 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. In addition, the Organization is required to present a statement of cash flows.

Unrestricted net assets include those assets not restricted as to use in any way or only restricted by the Organization's Board of Directors. Temporarily restricted net assets are those assets restricted by the donor for a specific purpose that will be fulfilled at some future time. These assets are released from their temporarily restricted status upon fulfillment of the purpose or the expiration of the time restriction. Permanently restricted net assets are assets restricted in use for an indefinite period of time.

HUNTINGDON COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2015 and February 28, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets

The Organization prepares an annual budget. This budget is used as a guideline in monitoring the Organization's expenditures during the course of the year. Monthly budget reports are provided to the board of directors and management for this purpose.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, Huntingdon County United Way considers all highly liquid investments with an initial maturity of less than 90 days to be cash equivalents.

Campaign Pledges and Appropriations

Huntingdon County United Way conducts an annual fundraising campaign each fall to obtain donations and pledges to fund the subsequent year's operations. Pledges are recorded when made and a pledge receivable is established for the portion of any pledge not received at the time of the pledge. All amounts are expected to be received within one year. A reserve is established for amounts estimated to be uncollectible. The reserve amount is computed based on management estimates of current economic factors, applied to gross campaign, including donor designations. Allocations for a campaign are decided in March of the subsequent fiscal year and disbursed over a twelve month basis.

Donor designated pledges are accounted for as a liability until dispensed to the designated agency. Those amounts are not accounted for as revenue by the Organization, but are reported as part of campaign results from which the amounts are then deducted to arrive at campaign revenue.

Functional Expenses

Expenses are charged to program or supporting services based on direct expenditures incurred. Any expenses not directly chargeable are allocated in proportion to the percentage of employees' time spent on each functional classification.

Contributed Services

During the years ended February 28, 2015 and February 28, 2014 a large number of volunteers donated substantial amounts of time toward the campaign and the various program activities. Although these services were vital to the ongoing operations of the organization, they do not meet financial statement recognition criteria, and thus no amounts have been reflected in the financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The Organization's significant estimates include estimated allowances for uncollectible pledges; actual differences could materially affect the financial statements.

HUNTINGDON COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2015 and February 28, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets

The Organization's policy is to capitalize all property, plant, and equipment with an estimated useful life of more than one year, using a capitalization threshold of three hundred dollars. Property and equipment are stated at historical cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which ranges from three to five years. No provision has been made to record the value of any assets donated to the Organization.

Estimated Liability for Compensated Absences

The Organization's personnel policies do not provide for the vesting of either sick time or vacation time. Accordingly, no liability for compensated absences is recorded in the financial statements.

Advertising Expense

The Organization engages in advertising in order to promote community awareness of its campaign and its programs. All advertising costs are expensed as incurred. During the years ended February 28, 2015 and February 28, 2014, \$550 and \$800, respectively, in advertising expense was incurred.

Subsequent Events

During the preparation of these financial statements, the Organization has evaluated events and transactions through August 28, 2015, the date the financial statements were available to be issued.

NOTE B - CASH & CASH EQUIVALENTS

At February 28, 2015 and February 28, 2014 cash consisted of money on deposit in various checking accounts, savings accounts, and certificates of deposit at local banking institutions; and a small liquid amount in a brokerage account. Funds on deposit with banking institutions are insured by Federal Deposit Insurance up to \$250,000 with each financial institution. Deposits in the brokerage money account are not insured. At February 28, 2015 and February 28, 2014 the total amount of uninsured deposits were \$2,638 and \$2,230, respectively.

NOTE C - INVESTMENTS

The Organization's investments consist of various certificates of deposit with local banking institutions, as well as shares of stock in several corporations, as detailed below. All stock investments are presented at their fair market value, as determined based on the published closing share prices as of fiscal year-end. Unrealized gains and losses are included in the change in net assets in the Statement of Activities.

The *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards establishes a framework for measuring fair value and expands disclosures about fair value measurements. Changes to current practice resulting from the application of this Statement relate to the definition of fair value, and expand disclosures about fair value measurements. The Organization believes that the adoption of the provisions of this topic impacts these financial statements in that the carrying values of assets and liabilities approximate their fair values.

HUNTINGDON COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2015 and February 28, 2014

NOTE C – INVESTMENTS (continued)

In determining fair value, the Organization uses various valuation approaches within the FASB fair value measurement network. Fair value measurements are determined based on the assumption that market participants would use in pricing an asset or liability. FASB establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. FASB defines levels within the hierarchy based upon the reliability of inputs as follows:

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets,
- Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

The Organization’s applicable assets have been valued using Level 1 inputs in applying the fair value measurement.

The Organization’s investments at February 28, 2015 and February 28, 2014 consisted of the following:

	<u>February 28, 2015</u>	<u>February 28, 2014</u>
Certificates of Deposit with initial maturities greater than 90 days	\$ 108,381	\$ 67,593
Unrestricted Stock Investments	<u>5,740</u>	<u>5,399</u>
Total Unrestricted Investments	114,121	72,992
Restricted Stock Investments		
Permanently Restricted	993	993
Temporarily Restricted	<u>5,876</u>	<u>5,360</u>
Total Restricted Investments	6,869	6,353
Total Investments	<u>\$ 120,990</u>	<u>\$ 79,345</u>

Details of the Organization’s stock investments at February 28, 2015 and February 28, 2014 are as follows:

	<u>Cost</u>	<u>Market Value @</u>	
		<u>February 28, 2015</u>	<u>February 28, 2014</u>
<u>Unrestricted Stock</u>			
40 shares Capital One	\$ 2,001	\$ 3,148	\$ 2,937
202 shares FNB Corp	<u>3,128</u>	<u>2,592</u>	<u>2,462</u>
Total Unrestricted Stock Investments	5,129	5,740	5,399
<u>Restricted Stock</u>			
150 shares Southern Co.	<u>993</u>	<u>6,869</u>	<u>6,353</u>
Total Stock Investments	<u>\$ 6,122</u>	<u>\$ 12,609</u>	<u>\$ 11,752</u>

HUNTINGDON COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2015 and February 28, 2014

NOTE C – INVESTMENTS (continued)

Gains and losses during the years ended February 28, 2015 and February 28, 2014 were as follows:

	Realized Gain (Loss)		Unrealized Gain (Loss)	
	2015	2014	2015	2014
<u>Unrestricted Investments</u>				
Capital One	\$ - 0 -	\$ - 0 -	\$ 211	\$ 896
FNB Corp	- 0 -	- 0 -	129	168
Genon Energy	- 0 -	- 0 -	- 0 -	- 0 -
Gain (Loss) - Unrestricted Investments	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 340</u>	<u>\$ 1,064</u>
<u>Restricted Investments</u>				
Southern Co.	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 516</u>	<u>\$ (399)</u>

The funds invested in the Southern Co. stock are considered restricted under the terms of a bequest given in 1975 which contributed the funds to the Organization, to be held in a perpetual trust with the income to be paid to the United Way for general use.

NOTE D - PLEDGES RECEIVABLE

Pledges Receivable represent pledges made, but not yet collected, from the three most recent campaigns. Substantially all of the Organization's pledges receivable at February 28, 2015 and February 28, 2014 are from corporations and individuals. Uncollected campaign pledges are reviewed periodically and at the end of three years, any amount still outstanding is written off.

Revenues and receivables are for the most part geographically concentrated in the Huntingdon County region. A major change in the economic conditions of the region could significantly impact the collectability of corporate or individual pledges.

NOTE E - OTHER RECEIVABLES

Other Receivables represent amounts designated and due to the Huntingdon County United Way and its member organizations from campaigns managed by other United Ways.

NOTE F - FIXED ASSETS

The Organization's fixed assets consist of furniture and equipment which it uses in its office. Fixed assets are recorded at historical cost, and depreciated using the straight-line method over the estimated useful lives of the applicable assets, which range from 3 to 5 years. Depreciation expense for the years ending February 28, 2015 and February 28, 2014 was \$1,187 and \$1,367 respectively. During the years ended February 28, 2015 and February 28, 2014, the Organization purchased \$0 and \$ 0, respectively, in new equipment.

HUNTINGDON COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2015 and February 28, 2014

NOTE G – CAPITAL LEASE

During the year ending February 28, 2013, the Organization entered into a 60 month lease agreement for a Panasonic copier for use in the office. Under the terms of the non-cancelable lease, the Organization has agreed to a monthly payment of \$115.76, with a purchase out-right option of \$1.00 at the end of the lease term. The equipment subject to this lease obligation has been capitalized and included in furniture and equipment on the Statement of Financial Position. At years ending February 28, 2015 and 2014, the cost of the equipment was \$5,136 and the related accumulated amortization was \$2,825 and \$1,797, respectively. Amortization expense for year ending February 28, 2015 and February 28, 2014 included in depreciation expense in the Statement of Activities was \$1,027 and \$1,027, respectively. Total payments under this lease were \$1,390 and \$1,390 in the years ended February 28, 2015 and February 28, 2014, respectively. The effective rate of interest on the lease is 12.58%. Total interest expense incurred on this lease agreement for the years ending February 28, 2015 and February 28, 2014 was \$399 and \$515, respectively. Future minimum payments under this lease are as follows:

Year ending February, 28	2016	1,389
	2017	1,389
	2018	<u>231</u>
Total future minimum lease payments		\$ 3,009
Less: Amount representing interest		<u>(387)</u>
Total Lease Obligation Outstanding		<u>\$ 2,622</u>

NOTE H - NET ASSETS

In accordance with FASB 117, Net Assets are divided into three categories:

- Unrestricted Net Assets represent the Organization’s resources available for operations. The use of specific portions of these assets has been designated by The Board of Directors for specific purposes.
- Temporarily Restricted and Permanently Restricted Net Assets are comprised of amounts received that have donor imposed conditions (other than donor designated gifts received through the annual campaign).
- The Organization’s Restricted Net Assets consist of its investment in the Southern Co, as noted in Note C above. The original amount of the gift is classified as permanently restricted net assets; all capital appreciation on the original amount since the date of the bequest is classified as temporarily restricted net assets.

NOTE I - SECA CAMPAIGN REVENUES

Amounts reported as revenues include amounts raised locally by the State Employees Combined Appeal (SECA Campaign) for which Huntingdon County United Way is the local manager. SECA campaign results for 2014-2015 and 2013-2014 are as follows:

	<u>2014-2015</u>	<u>2013-2014</u>
Total SECA Campaign results	\$ 43,661	\$ 27,260
Less: Allowance for Uncollectible Accounts	- 0 -	- 0 -
Amounts Designated to Local United Way Agencies	(5,566)	(4,101)
Amounts Designated to other SECA Participating Agencies	<u>(37,217)</u>	<u>(22,170)</u>
Net SECA Campaign Results	<u>\$ 878</u>	<u>\$ 989</u>

HUNTINGDON COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2015 and February 28, 2014

NOTE J - RELATED PARTY TRANSACTIONS

During the years ended February 28, 2015 and February 28, 2014 the Organization did not engage in any related party transactions.

NOTE K - RISK MANAGEMENT

United Way has purchased commercial insurance to protect itself against all ordinary and foreseeable risks. Policies in effect include coverage for Property, Liability, Crime, Directors & Officers Liability, and Worker's Compensation.

NOTE L - OPERATING LEASE

The Organization leases office space from a local church. The lease is currently a year to year lease at a rate of \$450 per month which renews automatically until legal notice (30 day notice) is given for removal or cancelation. Rent expense for the fiscal years ended February 28, 2015, and February 28, 2014, totaled \$5,400 per year.

Subsequent to year end, the Organization entered into re-negotiation for the lease of the office space. Monthly rent for the office space increased to \$550 effective April 2015. As of the date of the financial statements, the Huntingdon County United Way, Inc. has decided to terminate the lease agreement effective September 30, 2015, and will be moving to another office location. The lease agreement for the new office space has not yet been finalized.

NOTE M – INCOME TAXES

The Internal Revenue Service has determined that the Organization is exempt from federal income tax under section 501 (c) 3 of the Internal Revenue code and is not a private foundation. No income tax is incurred unless the Organization earns income considered to be unrelated business income. No provision for income taxes has been made in the accompanying financial statements. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization's federal tax returns for years 2014, 2013, and 2012 are subject to examination by the Internal Revenue Service for three years from the date they were filed.

SUPPLEMENTARY INFORMATION

HUNTINGDON COUNTY UNITED WAY, INC
SCHEDULE OF DISTRIBUTIONS TO MEMBER AGENCIES
For the Year Ending February 28, 2015

Agency	Regular Post-Campaign Allocation	Supplemental Allocation	Donor Designations Paid	Total
American Red Cross	\$ 13,019	\$ - 0 -	\$ 4,979	\$ 17,998
Big Brothers/Big Sisters	9,376	- 0 -	2,437	11,813
Crossroads Pregnancy Center	8,328	- 0 -	5,510	13,838
Eye Care Agency of Huntingdon County	- 0 -	- 0 -	429	429
Girl Scouts in the Heart of PA	17,386	- 0 -	1,872	19,258
Home Nursing Agency	26,750	- 0 -	10,895	37,645
Huntingdon County Child & Adult Development	24,333	- 0 -	3,959	28,292
Huntingdon County Library	11,360	- 0 -	10,962	22,322
Huntingdon House	24,569	- 0 -	5,931	30,500
Juniata Valley Council, Boy Scouts of America	15,573	- 0 -	3,271	18,844
JC Blair Memorial Hospital	- 0 -	- 0 -	6,738	6,738
Mount Union Community Library	- 0 -	- 0 -	3,008	3,008
Skills of Central Pennsylvania	- 0 -	- 0 -	2,268	2,268
The Salvation Army	24,850	- 0 -	5,210	30,060
Society of Saint Vincent de Paul	29,260	- 0 -	3,217	32,477
Tapestry	1,648	- 0 -	852	2,500
United Service Organization (USO)	- 0 -	- 0 -	1,947	1,947
	\$ 206,452	\$ - 0 -	\$ 73,485	\$ 279,937

Note: This schedule is prepared on the cash basis of accounting, and presents allocations and designations actually paid to member agencies during the 2014-2015 fiscal year. Amounts shown may differ from those shown in, or used in the preparation of, the basic financial statements.

See auditor's report.

HUNTINGDON COUNTY UNITED WAY, INC
SCHEDULE OF DISTRIBUTIONS TO MEMBER AGENCIES
For the Year Ending February 28, 2014

Agency	Regular Post-Campaign Allocation	Supplemental Allocation	Donor Designations Paid	Total
American Red Cross	\$ 13,020	\$ - 0 -	\$ 5,392	\$ 18,412
Big Brothers/Big Sisters	9,377	- 0 -	3,147	12,524
Crossroads Pregnancy Center	8,327	- 0 -	4,607	12,934
Eye Care Agency of Huntingdon County	- 0 -	- 0 -	715	715
Girl Scouts in the Heart of PA	17,889	- 0 -	1,369	19,258
Home Nursing Agency	26,751	- 0 -	13,859	40,610
Huntingdon County Child & Adult Development	24,334	- 0 -	5,181	29,515
Huntingdon County Library	11,361	- 0 -	13,521	24,882
Huntingdon House	25,261	- 0 -	5,799	31,060
Juniata Valley Council, Boy Scouts of America	15,972	- 0 -	2,872	18,844
Skills of Central Pennsylvania	- 0 -	- 0 -	2,088	2,088
The Salvation Army	27,638	- 0 -	2,421	30,059
Society of Saint Vincent de Paul	22,562	- 0 -	2,366	24,928
Tapestry	6,944	- 0 -	677	7,621
United Service Organization (USO)	- 0 -	- 0 -	2,722	2,722
	\$ 209,436	\$ - 0 -	\$ 66,736	\$ 276,172

Note: This schedule is prepared on the cash basis of accounting, and presents allocations and designations actually paid to member agencies during the 2013-2014 fiscal year. Amounts shown may differ from those shown in, or used in the preparation of, the basic financial statements.

See auditor's report.

HUNTINGDON COUNTY UNITED WAY, INC
SCHEDULE OF PLEDGE RECEIVABLES
For the Year Ending February 28, 2015

2012/2013 Campaign

Pledge Receivables	325
Less: Allowance for Uncollectibles	- 0 -
Total 2011/2012 Campaign	<u>325</u>

2013/2014 Campaign

Pledge Receivables	9,265
Less: Allowance for Uncollectibles	(683)
Total 2013/2014 Campaign	<u>8,582</u>

2014/2015 Campaign

Pledge Receivables	\$ 230,836
Less: Allowance for Uncollectibles	(11,460)
Total 2014/2015 Campaign	<u>219,376</u>

Total Pledge Receivables (Net) \$ 228,283

See auditor's report.

HUNTINGDON COUNTY UNITED WAY, INC
SCHEDULE OF PLEDGE RECEIVABLES
For the Year Ending February 28, 2014

2011/2012 Campaign

Pledge Receivables	1,400
Less: Allowance for Uncollectibles	- 0 -
Total 2010/2011 Campaign	<u>1,400</u>

2012/2013 Campaign

Pledge Receivables	9,593
Less: Allowance for Uncollectibles	(558)
Total 2011/2012 Campaign	<u>9,035</u>

2013/2014 Campaign

Pledge Receivables	\$ 216,074
Less: Allowance for Uncollectibles	(11,068)
Total 2013/2014 Campaign	<u>205,006</u>

Total Pledge Receivables (Net) \$ 215,441

See auditor's report.