

UNITED WAY  
OF COSHOCTON COUNTY, INC.

REPORT ON AUDITS OF  
FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

Draft

UNITED WAY  
OF COSHOCTON COUNTY, INC.

COSHOCTON, OHIO

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October 8, 2020

Board of Control  
United Way of Coshocton County, Inc.  
Coshocton, Ohio

### INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying financial statements of United Way of Coshocton County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020 and 2019, and the related statements of activities 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Coshocton County, Inc. as of June 30, 2020 and 2019, 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.

STEPHEN A. TOPE, CPA  
NEW PHILADELPHIA, OHIO

UNITED WAY  
OF COSHOCTON COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 106,207	\$ 97,828
Board designated cash-contingency and agency reserve	322,247	338,728
Prepaid expenses	1,100	0
Campaign pledges receivable (net of allowance for uncollectible pledges of \$20,250 and \$16,250)	<u>141,126</u>	<u>132,869</u>
Total current assets	<u>570,680</u>	<u>569,425</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Leasehold improvements	3,273	3,273
Office equipment	<u>35,387</u>	<u>35,387</u>
	38,660	38,660
Less: accumulated depreciation	<u>35,274</u>	<u>34,116</u>
Net property and equipment	<u>3,386</u>	<u>4,544</u>
 Total assets	 <u>\$ 574,066</u>	 <u>\$ 573,969</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Accrued payroll taxes	\$ 1,530	\$ 1,670
Deferred revenue	<u>0</u>	<u>0</u>
Total current liabilities	1,530	1,670
<b>NET ASSETS:</b>		
Without donor restrictions	558,975	552,113
With donor restrictions	<u>13,561</u>	<u>20,186</u>
Total net assets	<u>572,536</u>	<u>572,299</u>
Total liabilities and net assets	<u>\$ 574,066</u>	<u>\$ 573,969</u>

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

UNITED WAY  
OF COSHOCTON COUNTY, INC.

STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT:</b>			
Contributions, net of provision for pledge loss	\$ 344,030	\$ 0	\$ 344,030
Emergency relief fund contributions	0	58,100	58,100
Dolly Parton library income	0	3,558	3,558
Fundraiser income	2,677	0	2,677
2-1-1 Grant income	0	0	0
Interest income	4,812	0	4,812
Miscellaneous income	253	0	253
Total revenue and support	<u>351,772</u>	<u>61,658</u>	<u>413,430</u>
Assets released from restrictions	<u>68,283</u>	<u>(68,283)</u>	<u>0</u>
	420,055	(6,625)	413,430
<b>EXPENSES:</b>			
Program expenses:			
Allocation to agencies	235,261	0	235,261
Emergency relief fund expenses	52,358	0	52,358
Other program expenses	72,793	0	72,793
Fundraising expenses	14,988	0	14,988
Management and general expenses	<u>37,793</u>	<u>0</u>	<u>37,793</u>
Total expenses	<u>413,193</u>	<u>0</u>	<u>413,193</u>
Changes in net assets	6,862	(6,625)	237
NET ASSETS, beginning of year	<u>552,113</u>	<u>20,186</u>	<u>572,299</u>
NET ASSETS, end of year	<u>\$ 558,975</u>	<u>\$ 13,561</u>	<u>\$ 572,536</u>

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

UNITED WAY  
OF COSHOCTON COUNTY, INC.

STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT:</b>			
Contributions, net of provision for pledge loss	\$ 321,639	\$ 0	\$ 321,639
Emergency relief fund contributions	0	0	0
Dolly Parton library income	0	41,060	41,060
Fundraiser income	0	0	0
2-1-1 Grant income	0	3,000	3,000
Interest income	1,950	0	1,950
Miscellaneous income	709	0	709
Total revenue and support	<u>324,298</u>	<u>44,060</u>	<u>368,358</u>
Assets released from restrictions	<u>23,818</u>	<u>(23,818)</u>	<u>0</u>
	348,116	20,242	368,358
<b>EXPENSES:</b>			
Program expenses:			
Allocation to agencies	235,740	0	235,740
Emergency relief fund expenses	0	0	0
Other program expenses	87,931	0	87,931
Fundraising expenses	17,927	0	17,927
Management and general expenses	<u>39,868</u>	<u>0</u>	<u>39,868</u>
Total expenses	<u>381,466</u>	<u>0</u>	<u>381,466</u>
Changes in net assets	(33,350)	20,242	(13,108)
NET ASSETS, beginning of year	<u>585,463</u>	<u>(56)</u>	<u>585,407</u>
NET ASSETS, end of year	<u>\$ 552,113</u>	<u>\$ 20,186</u>	<u>\$ 572,299</u>

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

UNITED WAY  
OF COSHOCTON COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	Program <u>Services</u>	Management & General	Fundraising	<u>Totals</u>
Executive Director compensation	\$ 11,779	\$ 11,779	\$ 10,096	\$ 33,654
Other wages	7,052	3,205	2,564	12,821
United Way National dues	0	3,523	0	3,523
United Way Ohio dues	0	0	0	0
Other dues and subscriptions	0	257	0	257
Campaign expense	0	0	0	0
Community impact	28,710	0	0	28,710
Professional fees	0	5,355	0	5,355
Office supplies	497	435	311	1,243
Postage	461	404	289	1,154
Telephone and utilities	1,109	971	694	2,774
Taxes	1,558	1,191	1,006	3,755
Rent	2,160	3,240	0	5,400
Insurance	896	1,344	0	2,240
Miscellaneous	171	9	28	208
Dolly Parton imagination library	15,925	0	0	15,925
2-1-1 expense	0	0	0	0
Depreciation	0	1,158	0	1,158
Repairs and maintenance	2,176	3,264	0	5,440
Seminars and training	0	0	0	0
Advertising	236	355	0	591
Bank charges	0	541	0	541
Annual meeting breakfast	0	478	0	478
Business meals	0	263	0	263
Travel	63	21	0	84
Total expenses	<u>\$ 72,793</u>	<u>\$ 37,793</u>	<u>\$ 14,988</u>	<u>\$ 125,574</u>

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

UNITED WAY  
OF COSHOCTON COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019

	Program <u>Services</u>	Management <u>&amp; General</u>	<u>Fundraising</u>	<u>Totals</u>
Executive Director compensation	\$ 12,250	\$ 12,250	\$ 10,500	\$ 35,000
Other wages	6,999	3,181	2,545	12,725
United Way National dues	0	3,722	0	3,722
United Way Ohio dues	0	0	0	0
Other dues and subscriptions	0	1,022	0	1,022
Campaign expense	0	0	2,379	2,379
Community impact	26,705	0	0	26,705
Professional fees	0	5,923	0	5,923
Office supplies	595	520	372	1,487
Postage	585	512	366	1,463
Telephone and utilities	1,165	1,020	728	2,913
Taxes	1,530	1,284	1,037	3,851
Rent	2,160	3,240	0	5,400
Insurance	896	1,345	0	2,241
Miscellaneous	138	7	0	145
Dolly Parton imagination library	22,361	0	0	22,361
2-1-1 expense	10,092	0	0	10,092
Depreciation	0	1,157	0	1,157
Repairs and maintenance	1,401	2,099	0	3,500
Seminars and training	104	35	0	139
Advertising	950	1,425	0	2,375
Bank charges	0	554	0	554
Annual meeting breakfast	0	267	0	267
Business meals	0	305	0	305
Travel	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenses	<u>\$ 87,931</u>	<u>\$ 39,868</u>	<u>\$ 17,927</u>	<u>\$ 145,726</u>

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



UNITED WAY  
OF COSHOCTON COUNTY, INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 237	\$ (13,108)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,158	1,157
(Increase) decrease in operating assets:		
Accounts receivable	(8,257)	(16,970)
Prepaid expenses	(1,100)	7,000
Increase (decrease) in operating liabilities:		
Accrued expenses	(140)	1,164
Deferred revenue	<u>0</u>	<u>0</u>
Net cash provided (used) by operating activities	<u>(8,102)</u>	<u>(20,757)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	<u>0</u>	<u>0</u>
Net cash used by investing activities	<u>0</u>	<u>0</u>
 Increase (decrease) in cash	 (8,102)	 (20,757)
CASH, beginning of year	<u>436,556</u>	<u>457,313</u>
CASH, end of year	<u>\$ 428,454</u>	<u>\$ 436,556</u>

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

UNITED WAY  
OF COSHOCTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL

This summary of significant accounting policies of the United Way of Coshocton County, Inc. (the "Organization"), is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of the Organization's management who is responsible for their integrity and objectivity.

BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Without donor restrictions*-Net assets that are not subject to donor-imposed stipulations.

*With donor restrictions*-Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions.

DONATIONS

All campaign contributions and pledges are considered unrestricted unless a contribution is received with a donor stipulation for a specific purpose other than operations or support of member agencies. The Board of Control retains the authority to fund agencies and operations at their discretion based on the best interests of the United Way and the needs of the community.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost. Depreciation is provided over the estimated useful lives of the related assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the assets and related allowances for depreciation are eliminated from the accounts, and any resulting gain or loss is reflected in income. Depreciation for financial reporting purposes is based on the following policies:

<u>DESCRIPTION</u>	<u>USEFUL LIVES</u>	<u>METHOD</u>
Leasehold improvements	10 years	Straight line
Office equipment	5 - 10 years	Straight line

INCOME TAXES

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, certain business activities of the Organization may be subject to Federal income taxes. No provision for Federal taxes was necessary for the years ended June 30, 2020 and 2019.

ADVERTISING COSTS

The Organization expenses the costs of advertising as they are incurred. Advertising costs were \$591 and \$2,375 for the years ended June 30, 2020 and 2019.

UNITED WAY  
OF COSHOCTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCOUNTING FOR UNCERTAINTY IN INCOME TAX POSITIONS

Effective January 1, 2009, generally accepted accounting principles require the Organization to evaluate the level of uncertainty related to whether tax positions taken will be sustained upon examination. Any positions taken that do not meet the more-likely-than-not threshold must be quantified and recorded as a liability for unrecognized tax benefits in the accompanying statement of financial position along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest and penalties associated with unrecognized tax benefits are classified as additional income taxes in the statement of activities. The Organization believes that none of the tax positions taken would materially impact the financial statements and no such liabilities have been recorded.

In general, the Organization is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for tax years before 2017.

ANNUAL CAMPAIGN

Pledges are recorded as received and allowances are provided for amounts estimated as uncollectible. The ability to collect pledges is subject to the economic conditions of Coshocton County, Ohio and surrounding areas. The allowance for uncollectible pledges was \$20,250 and \$16,250 as of June 30, 2020 and 2019.

The annual campaign begins in approximately September of each year and is completed by the following March. Consequently, the Organization can estimate the amount available for budgeting allocations and operating expenses for the fiscal year following the close of the campaign. Contribution revenues for the year ending June 30, 2020 consist primarily of pledges received during the campaign conducted from September of 2019 to March of 2020.

CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, the Organization considers all highly liquid instruments purchased with a maturity date of three months or less, to be cash equivalents. The Organization paid interest of \$0 and \$0 during the years ended June 30, 2020 and 2019, respectively.

As of June 30, 2020 and 2019, the Organization had bank balances of \$428,454 and \$436,556, respectively. Of these balances \$428,454 and \$436,556 were covered by federal depository insurance and \$0 and \$0 were uncollateralized as of June 30, 2020 and 2019, respectively.

USE OF 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.

EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

UNITED WAY  
OF COSHOCTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ALLOCATIONS TO AGENCIES

The Organization budgets for allocations to agencies or services based on the results of the campaign concluding in the fiscal year and expenses those allocation payments as they are paid during the following fiscal year. Allocations budgeted for the following fiscal year total \$212,624.

AGENCY RESERVE FUND ALLOCATIONS

Agency Reserve Fund Allocations represent payments allocated to agencies' special requests from a fund created by contributions received by United Way in excess of campaign goals. These funds are reflected as board designated cash in these financial statements.

SUBSEQUENT EVENTS

In evaluating events that may have a material impact on the financial statements, the Organization has considered activities through October 8, 2020, the date the financial statements were available to be released. There were no subsequent events requiring disclosure.

FINANCIAL STATEMENT PRESENTATION

The Organization has adopted Financial Accounting Standard Board ASU 2016-14 (formerly Statement of Financial Accounting Standards (SFAS) No. 117 "Financial Statements of Not-for-Profit Organizations"). Under this standard, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. As permitted by this statement, the Organization has reclassified its financial statements to present the two classes of net assets required.

NOTE 2: LEASE

Effective May 1, 2015, the Organization entered into a one-year lease of office space for \$450 per month. The rent paid was \$5,400 and \$5,400 for 2020 and 2019, respectively.

NOTE 3: CAMPAIGN AND ANNUAL MEETING

Costs to conduct the campaign and annual meeting are underwritten by reimbursements from sponsors. Such reimbursements are netted against campaign and annual meeting expenses in the statement of functional expenses. Amounts received and paid are as follows:

	<u>2020</u>	<u>2019</u>
Campaign expenses	\$ 7,165	\$ 9,791
Reimbursements received	<u>(13,826)</u>	<u>(7,412)</u>
Net campaign expense (contribution income)	<u>\$ (6,661)</u>	<u>\$ 2,379</u>
Annual meeting expenses	\$ 1,518	\$ 1,477
Reimbursements received	<u>(1,040)</u>	<u>(1,210)</u>
Net annual meeting expense (contribution income)	<u>\$ 478</u>	<u>\$ 267</u>

NOTE 4: CONCENTRATION OF CREDIT RISK

The Organization receives the majority of its support from funding sources located primarily in and around Coshocton County, Ohio.

UNITED WAY  
OF COSHOCTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

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**NOTE 5: WITH DONOR RESTRICTIONS NET ASSETS**

With donor restrictions net assets consist of the following funds as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Dolly Parton Imagination Library	\$ 7,819	\$ 20,186
Emergency Relief Fund	<u>5,742</u>	<u>0</u>
Total with donor restrictions net assets	<u>\$ 13,561</u>	<u>\$ 20,186</u>

**NOTE 6: LIQUIDITY AND AVAILABLE RESOURCES**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, and accounts receivable.

As of June 30, 2020, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$ 428,454
Pledges receivable, net	<u>141,126</u>
	<u>\$ 569,580</u>

**NOTE 7: CORONAVIRUS PANDEMIC**

Beginning around March 2020, the COVID-19 virus has been declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

October 8, 2020

Board of Control  
United Way of Coshocton County, Inc.  
Coshocton, Ohio

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules of allocations to Agencies are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information for the years ended June 30, 2020 and 2019 has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

STEPHEN A. TOPE, CPA  
NEW PHILADELPHIA, OHIO

UNITED WAY  
OF COSHOCTON COUNTY, INC.

SCHEDULES OF ALLOCATIONS TO AGENCIES  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Coshocton CARES	\$ 8,000	\$ 8,000
Boy Scouts Muskingum Valley Council	18,000	18,000
Coshocton City Recreation	5,000	3,000
Donor Options	761	3,366
First Step Family Violence Intervention Services	33,000	25,000
Girl Scouts Heart of Ohio	7,000	7,650
Coshocton County Handicapped Society	11,000	13,000
Maternal and Child Health Center	46,000	46,000
American Red Cross	20,000	20,000
Ridgewood Recreation	7,000	6,000
Rising Tide Aquatic Club	4,000	3,500
Salvation Army	65,000	70,000
Three Rivers Recreation-Canal Lewisville	6,500	6,500
Warsaw Youth Development	4,000	5,200
Arthritis Foundation	0	313
Hope Clinic of Coshocton	<u>0</u>	<u>211</u>
Total allocations to agencies	<u>\$ 235,261</u>	<u>\$ 235,740</u>

See auditor's report on supplemental information.