



4300 Indianola Avenue, Columbus, Ohio 43214

Phone: (614) 263-4300

Fax: (614) 262-8810

www.charitynewsies.com

Impact Statement For Fiscal Year 2015

Our Mission

The mission of the Charity Newsies is that no child shall be kept out of school for lack of adequate clothing.

Roster of Officers and Board Members

- Shari Carroll, Chairman of the Board
- Stephen Chandler, President
- John Umpleby, 1st Vice President and Drive Chairman
- Anthony Perez, 2nd Vice President and Assistant Drive Chairman
- Gladys Davis, Treasurer
- Melanie Evans, Financial Secretary
- Cathy Patterson, Corresponding Secretary
- John Byrne, Sergeant-at-Arms

Trustees

- Laura Brennan
- William Karn
- Lee Tucker
- Michael Burrell
- John Connor
- James Mock Sr.
- Atchie Atcheson
- Gil Feiertag
- Ryan Sweeney

Headquarters Manager

- Michael Miller

Summary of the Past Year's Program / Service Accomplishments

The Ohio Newsboys Association (dba Charity Newsies) provides clothing, shoes, books and other assistance to school-aged children in Central Ohio. Since inception of Charity Newsies in 1907, we have clothed over 500,000 school children in Franklin County.

Financial Report

THE OHIO NEWSBOYS' ASSOCIATION, INC.

Columbus, Ohio

Financial Statements

May 31, 2015

MULLIGAN, TOPY & CO.
Certified Public Accountants
Gahanna, Ohio



MULLIGAN, TOPY & CO.

Certified Public Accountants

196 West Johnstown Road

Gahanna, Ohio 43230-2731

614-471-1040

FAX 614-471-1068

E-Mail: stopy@mulligantopy.com

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Ohio Newsboys' Association, Inc
Columbus, Ohio

We have audited the accompanying financial statements of Ohio Newsboys' Association, Inc. (a nonprofit corporation), which comprise the statements of financial position as of May 31, 2015 and 2014 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 maintaining 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 of 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 those 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 Ohio Newsboys' Association as of May 31, 2015 and 2014 and the results of its operations and changes in net assets, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Gahanna, Ohio
July 15, 2015

Mulligan, Joppy & Co.

THE OHIO NEWSBOYS' ASSOCIATION, INC.

Statements of Financial Position May 31,

ASSETS

	Charity	
	2015	2014
Assets:		
Cash	\$ 283,013	\$ 208,388
Prepaid expense		
Accrued interest receivable	10,283	9,511
Account receivable		
Program inventory	572,118	613,549
Investments	7,669,480	6,564,332
Property and equipment - net		
Total Assets	\$ <u>8,534,894</u>	\$ <u>7,395,780</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable - trade	\$ 3,402	\$ 10,320
Accrued expenses		
Deferred income		
Total liabilities	<u>3,402</u>	<u>10,320</u>
Net Assets:		
Unrestricted	8,495,789	7,350,457
Permanently restricted	35,703	35,003
Total net assets	<u>8,531,492</u>	<u>7,385,460</u>
Total Liabilities and Net Assets	\$ <u>8,534,894</u>	\$ <u>7,395,780</u>

See Notes to Financial Statements.

Administrative		Total	
2015	2014	2015	2014
\$ 99,736	\$ 42,696	\$ 382,749	\$ 251,084
1,156	5,429	1,156	5,429
	10,320	10,283	9,511
		572,118	10,320
		7,669,480	613,549
926,331	940,800	926,331	6,564,332
<u>\$ 1,027,223</u>	<u>\$ 999,245</u>	<u>\$ 9,562,117</u>	<u>\$ 8,395,025</u>

\$ 7,594	\$ 7,987	\$ 10,996	\$ 18,307
4,918	4,226	4,918	4,226
<u>20,570</u>	<u>16,245</u>	<u>20,570</u>	<u>16,245</u>
33,082	28,458	36,484	38,778
994,141	970,787	9,489,930	8,321,244
		35,703	35,003
<u>994,141</u>	<u>970,787</u>	<u>9,525,633</u>	<u>8,356,247</u>
<u>\$ 1,027,223</u>	<u>\$ 999,245</u>	<u>\$ 9,562,117</u>	<u>\$ 8,395,025</u>

THE OHIO NEWSBOYS' ASSOCIATION, INC.

Statements of Activities For the Years Ended May 31,

	Charity	
	2015	2014
Changes in Unrestricted Net Assets:		
Revenues, support and gains:		
Contributions	\$ 1,160,193	\$ 1,154,595
Bequests and other gifts	1,207,312	
Dues and initiation fees		
Fund raising		
Miscellaneous income		
Investment income		33,549
Net realized and unrealized gains (losses) on investments	133,974	220,513
Total revenues, support and gains	2,501,479	1,408,657
Expenses:		
Program services	967,337	864,842
Management and general		
Fund raising		
Total expenses	967,337	864,842
Transfers between funds	(388,810)	(292,104)
Change in unrestricted net assets	1,145,332	251,711
Change in Permanently Restricted Net Assets:		
Investment income on endowment	700	686
Change in permanently restricted net assets	700	686
Change in Net Assets	1,146,032	252,397
Net Assets - Beginning of Year	7,385,460	7,133,063
Net Assets - End of Year	\$ 8,531,492	\$ 7,385,460

See Notes to Financial Statements.

Administrative		Total	
2015	2014	2015	2014
\$ 4,895	\$ 12,766	\$ 1,165,088	\$ 1,167,361
		1,207,312	
32,813	32,240	32,813	32,240
10,344	10,053	10,344	10,053
850	5,226	850	5,226
156,481	90,469	156,481	124,018
		133,974	220,513
<u>205,383</u>	<u>150,754</u>	<u>2,706,862</u>	<u>1,559,411</u>
232,283	223,994	1,199,620	1,088,836
223,212	194,868	223,212	194,868
115,344	97,981	115,344	97,981
<u>570,839</u>	<u>516,843</u>	<u>1,538,176</u>	<u>1,381,685</u>
<u>388,810</u>	<u>292,104</u>		
23,354	(73,985)	1,168,686	177,726
		700	686
		700	686
<u>23,354</u>	<u>(73,985)</u>	<u>1,169,386</u>	<u>178,412</u>
970,787	1,044,772	8,356,247	8,177,835
<u>\$ 994,141</u>	<u>\$ 970,787</u>	<u>\$ 9,525,633</u>	<u>\$ 8,356,247</u>

THE OHIO NEWSBOYS' ASSOCIATION, INC.

Notes to Financial Statements (Continued) May 31, 2015

Note 1 - Significant Accounting Policies (Continued)

Program Inventory

Program inventory is carried at cost, using the first-in first-out (FIFO) method, and consists of clothing and related educational materials on hand to be given to needy children.

Investments

Investments consist of cash, money market accounts, mutual funds and marketable securities, which are carried at their fair value. A brokerage house and the Columbus Foundation administer the accounts. These entities are responsible for custody and investment management under the supervision of the Board of Trustees.

Property and Equipment

Property and equipment is recorded at cost or at its estimated fair value at the date of donation, if given by gift. Depreciation is provided on the straight-line method over the following useful lives:

Furniture and equipment	10 years
Computers	5 years
Building Improvements	10 years
Buildings	40 years
Land Improvements	10 to 40 years

The Association capitalizes expenditures greater than \$500 for major renewals and betterments that extend the useful lives of property and equipment. Expenditures for maintenance and repairs are charged to expense as incurred.

Federal Income Taxes

The Internal Revenue Service has ruled that the Association is a tax exempt organization as defined under Section 501 (c) (3) of the Internal Revenue Service Code. Accordingly, no provision for federal income taxes has been made in the financial statements.

The Association has income tax returns open to Internal Revenue Service audit for the years ending May 31, 2015, 2014, 2013 and 2012.

Functional Expenses

The Association reports its expenses on the functional basis. Accordingly, some of the Administrative fund costs have been allocated among program service, general administrative and fund raising based on, among other things, evaluations of employees' time incurred on each.

THE OHIO NEWSBOYS' ASSOCIATION, INC.

Notes to Financial Statements (Continued) May 31, 2015

Note 1 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Contributions

The Association records its contributions at their fair market value at the date of contribution and as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Association reports the support as unrestricted.

Volunteer Services

The Association gratefully acknowledges the contributed services, which it receives from its members who assist in its fund raising efforts and general mission. In accordance with FASB Accounting Standards Codification ASC 958-605 *Revenue Recognition*, the value of such services has not been recognized in the financial statements.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Association; that is, in substance unconditional. Contributions that are received subject to certain donor stipulations are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

THE OHIO NEWSBOYS' ASSOCIATION, INC.

Notes to Financial Statements (Continued)

May 31, 2015

Note 2 - Investments

The following are the aggregate cost and fair values as of May 31,

	2015		2014	
	Aggregate Cost	Aggregate Fair Value	Aggregate Cost	Aggregate Fair Value
U.S. Treasury and Federal Agencies Obligations	\$ 1,814,073	\$ 1,807,449	\$ 2,015,973	\$ 1,973,759
Certificates of Deposit	800,000	800,000	800,000	800,000
Mutual Funds	860,478	849,622	673,902	672,351
Common Stocks	2,156,847	2,465,661	1,545,959	1,879,690
Corporate Bonds	575,486	617,707	491,240	532,621
Money Market Funds	<u>1,129,041</u>	<u>1,129,041</u>	<u>705,911</u>	<u>705,911</u>
Total All Investment Accounts	<u>\$ 7,335,925</u>	<u>\$ 7,669,480</u>	<u>\$ 6,232,985</u>	<u>\$ 6,564,332</u>

The following are the aggregate cost and fair values as of May 31,

	2015		2014	
	Aggregate Cost	Aggregate Fair Value	Aggregate Cost	Aggregate Fair Value
Morgan Stanley Smith Barney Fund #1				
U.S. Treasury and Federal Agencies Obligations	\$ 1,239,829	\$ 1,230,021	\$ 1,240,101	\$ 1,200,133
Certificates of Deposit	800,000	800,000	800,000	800,000
Money Market Funds	<u>555,455</u>	<u>555,455</u>	<u>257,767</u>	<u>257,767</u>
Total Morgan Stanley Smith Barney Fund #1	2,595,284	2,585,476	2,297,868	2,257,900
Morgan Stanley Smith Barney Fund #2				
U.S. Treasury and Federal Agencies Obligations	574,244	577,428	775,872	773,626
Common Stocks	2,156,847	2,465,661	1,545,959	1,879,690
Corporate Bonds	575,486	617,707	491,240	532,621
Mutual Funds	860,478	849,622	673,902	672,351
Money Market Funds	<u>249,982</u>	<u>249,982</u>	<u>122,788</u>	<u>122,788</u>
Total Morgan Stanley Smith Barney Fund #2	4,417,037	4,760,400	3,609,761	3,981,076
Columbus Foundation:				
Money Market Funds	<u>323,604</u>	<u>323,604</u>	<u>325,356</u>	<u>325,356</u>
Total Columbus Foundation	<u>323,604</u>	<u>323,604</u>	<u>325,356</u>	<u>325,356</u>
Total All Investment Accounts	<u>\$ 7,335,925</u>	<u>\$ 7,669,480</u>	<u>\$ 6,232,985</u>	<u>\$ 6,564,332</u>

The Association invests in marketable securities with readily determined fair values based on quoted prices in active markets (all Level 1 measurements).

THE OHIO NEWSBOYS' ASSOCIATION, INC.

Notes to Financial Statements (Continued) May 31, 2015

Note 2 - Investments (Continued)

The Board of Trustees has approved the allocation of the investment income for general and administrative purposes. The following schedule summarizes the investment income reported in the statements of activities for the years ended May 31,

	2015		2014	
	Charity Fund	Administrative Fund	Charity Fund	Administrative Fund
Interest	\$ 157,179	\$ 2	\$ 124,703	\$ 1
Annual allocation of investment income	(104,371)	104,371	(95,841)	95,841
Investment fees paid by Charity fund for the Administrative fund	<u>(52,108)</u>	<u>52,108</u>	<u>(28,176)</u>	<u>28,176</u>
Total	<u>\$ 700</u>	<u>\$ 156,481</u>	<u>\$ 686</u>	<u>\$ 124,018</u>

Note 3 - Property and Equipment

Property and equipment at May 31, 2015 and 2014 consisted of the following:

	2015	2014
Furniture and equipment	\$ 121,836	\$ 180,592
Buildings and improvements	1,348,086	1,351,240
Land and improvements	220,238	229,556
Vehicles	<u>2,860</u>	<u>2,860</u>
Total property and equipment	1,693,020	1,764,248
Accumulated depreciation	<u>(766,689)</u>	<u>(823,448)</u>
Property and equipment – net	<u>\$ 926,331</u>	<u>\$ 940,800</u>

Note 4 - Permanently Restricted Net Assets

Permanently restricted net assets consist of donor restricted assets (endowments) of which only the income can be spent by the Association. The permanently restricted net asset as of May 31, 2015 and 2014 was an internally controlled endowment with the income restricted to the accomplishment of its charitable purpose.

THE OHIO NEWSBOYS' ASSOCIATION, INC.

Notes to Financial Statements (Continued) May 31, 2015

Note 5 - Contingencies

The Association may be subject to various claims, legal proceedings, and investigations covering a wide range of matters that arise in the ordinary course of business. In the opinion of management, all such matters are adequately covered by insurance or by accruals, and if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a significant effect on the financial position or results of operations of the Association if disposed of unfavorably.

The Association is subject to the Ohio Department of Jobs and Family Services unemployment compensation system. The law provides the option to elect coverage or be self-insured. The Board of Trustees, upon advice of legal counsel, elected to be self-insured. A liability may arise for future benefit payments. Such payments, if any, are not determinable and, therefore, are not shown in the financial statements.

Note 6 - Supplementary Statement of Cash Flow Information

Non-Cash Transactions

During the year ended May 31, 2015, the Association received non-cash contributions of stock. The stock was recorded on the statement of financial position at its estimated fair value of \$466,418 as an asset under investments and a contribution on the statement of activity.

During the year ended May 31, 2014, the Association received non-cash contributions of a 2002 Ford Explorer and J. P. Morgan Chase and Company stock. The Explorer was recorded on the statement of financial position at its estimated fair market value of \$2,860 as an asset under property and equipment – net and a contribution on the statement of activity. The stock was recorded on the statement of financial position at its estimated fair market value of \$4,903 as an asset under investments and a contribution on the statement of activity.

Note 7 - Subsequent Event

The Association has evaluated subsequent events through July 15, 2015, the date which the financial statements were available to be issued.

Each year on Drive Day, the second Saturday in December, the Charity Newsies' Paper Sale raises thousands of dollars from generous organizations, foundations, businesses and individuals. Newsies also collect contributions through the Annual Kick-off Auction, the sale of Hearts and other fundraising activities during the year. Together all these contributions represent the Drive Total, which last year was \$1,438,391.

The Newsies use the slogan "**one hundred percent for charity**", and in fact all funds raised from the Drive Day solicitations are deposited separately by the Newsies' Treasurer into the Charity Fund and used solely for the cost of clothing the children they serve.

The clothing program costs have exceeded the drive contributions for many years. Last year the cost to clothe the almost 11,500 needy school children was \$1,610,000. Fortunately, the Newsies have benefitted from many generous bequests over the years and these funds have been invested to generate earnings to fund the shortfall in drive contributions so that every needy school child could be served.

The administrative management and fundraising expenses of the Newsies are paid for by the annual dues from each Newsie and membership fundraising events as well as a portion of the investment earnings.