

**Financial Statements and Report of Independent  
Certified Public Accountants**

**Cincinnati Works, Inc.**

**December 31, 2015 and 2014**

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**Board of Trustees  
Cincinnati Works, Inc.**

We have audited the accompanying financial statements of Cincinnati Works, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2015 and 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 Cincinnati Works, Inc. as of December 31, 2015 and 2014, and the changes in its net assets, its functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Cincinnati, Ohio  
April 21, 2016

**CINCINNATI WORKS, INC.**

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2015 and 2014

<b>ASSETS</b>	<b>2015</b>	<b>2014</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,054,601	\$ 628,278
Investments	770,097	1,166,890
Prepaid expenses and other assets	39,636	75,865
Contributions receivable, net	2,259,466	1,824,257
Furniture and equipment, net	43,766	19,567
Restricted investments	<u>45,335</u>	<u>46,271</u>
Total assets	<u>\$ 4,212,901</u>	<u>\$ 3,761,128</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 39,625	\$ 27,025
Accrued expenses	<u>70,390</u>	<u>73,267</u>
Total liabilities	<u>110,015</u>	<u>100,292</u>
 <b>Net Assets:</b>		
Unrestricted	1,753,100	1,790,014
Temporarily restricted	2,320,411	1,841,447
Permanently restricted	<u>29,375</u>	<u>29,375</u>
Total net assets	<u>4,102,886</u>	<u>3,660,836</u>
Total liabilities and net assets	<u>\$ 4,212,901</u>	<u>\$ 3,761,128</u>

The accompanying notes are an integral part of these statements.

**CINCINNATI WORKS, INC.**

**STATEMENTS OF ACTIVITIES**

For the years ended December 31, 2015 and 2014

<b>CHANGES IN UNRESTRICTED NET ASSETS</b>	<b>2015</b>	<b>2014</b>
Revenues, gains and other support:		
Contributions and grants	\$ 598,765	\$ 550,139
Investment return	(4,241)	41,389
Contributed goods and services	101,770	91,999
Other income	57,048	53,910
Net assets released from restrictions	<u>1,605,890</u>	<u>1,212,152</u>
Total revenues and other support	<u>2,359,232</u>	<u>1,949,589</u>
Expenses:		
Job readiness program	629,562	525,144
Advancement program	223,385	245,696
Next Step	74,398	103,045
Phoenix	285,011	199,579
City Link	<u>467,346</u>	<u>193,791</u>
Total program services	<u>1,679,702</u>	<u>1,267,255</u>
Management and general	287,567	353,887
Fundraising	<u>428,877</u>	<u>329,162</u>
Total support services	<u>716,444</u>	<u>683,049</u>
Total expenses	<u>2,396,146</u>	<u>1,950,304</u>
Change in unrestricted net assets	<u>(36,914)</u>	<u>(715)</u>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>		
Revenues and other support:		
Contributions and grants	2,084,854	1,132,649
Net assets released from restrictions	<u>(1,605,890)</u>	<u>(1,212,152)</u>
Change in temporarily restricted net assets	<u>478,964</u>	<u>(79,503)</u>
Change in net assets	442,050	(80,218)
Net assets, beginning of year	<u>3,660,836</u>	<u>3,741,054</u>
Net assets, end of year	<u>\$ 4,102,886</u>	<u>\$ 3,660,836</u>

The accompanying notes are an integral part of these statements.

CINCINNATI WORKS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended December 31, 2015 and 2014

	<u>Job Readiness</u>	<u>Advancement</u>	<u>Next Step</u>	<u>Phoenix</u>	<u>City Link</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>2015</b>								
Salaries, wages and benefits	\$ 493,722	\$ 178,427	\$ 54,205	\$ 237,177	\$ 410,384	\$ 186,457	\$ 323,191	\$ 1,883,563
Occupancy and utilities	47,539	21,108	7,551	22,050	30,064	38,794	21,288	188,394
Equipment and supplies	17,148	5,516	1,850	6,402	8,081	4,308	6,782	50,087
Professional services	22,175	5,829	1,896	6,924	3,841	40,558	47,167	128,390
Direct job seeker and advancement expenses	34,576	8,006	7,683	7,771	8,111	-	-	66,147
Marketing	4,758	1,579	377	1,502	2,531	1,591	23,752	36,090
Other	9,644	2,920	836	3,185	4,334	15,859	6,697	43,475
Total expenses	<u>\$ 629,562</u>	<u>\$ 223,385</u>	<u>\$ 74,398</u>	<u>\$ 285,011</u>	<u>\$ 467,346</u>	<u>\$ 287,567</u>	<u>\$ 428,877</u>	<u>\$ 2,396,146</u>
<b>2014</b>								
Salaries, wages and benefits	\$ 384,047	\$ 198,837	\$ 70,434	\$ 153,235	\$ 155,731	\$ 231,471	\$ 233,700	\$ 1,427,455
Occupancy and utilities	73,265	15,558	10,723	18,869	17,637	20,344	17,488	173,884
Equipment and supplies	9,974	5,032	1,760	4,494	3,810	4,839	3,778	33,687
Professional services	26,641	12,901	4,542	11,623	10,078	72,572	54,979	193,336
Direct job seeker and advancement expenses	15,791	8,446	9,849	7,071	2,881	181	297	44,516
Marketing	5,578	-	3,581	-	-	19,940	15,080	44,179
Other	9,848	4,922	2,156	4,287	3,654	4,540	3,840	33,247
Total expenses	<u>\$ 525,144</u>	<u>\$ 245,696</u>	<u>\$ 103,045</u>	<u>\$ 199,579</u>	<u>\$ 193,791</u>	<u>\$ 353,887</u>	<u>\$ 329,162</u>	<u>\$ 1,950,304</u>

The accompanying notes are an integral part of these statements.

**CINCINNATI WORKS, INC.**

**STATEMENTS OF CASH FLOWS**

For the years ended December 31, 2015 and 2014

	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 442,050	\$ (80,218)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	15,841	15,117
Donated equipment	(3,203)	-
Net realized and unrealized loss (gain) on investments	38,379	(2,290)
Changes in assets and liabilities:		
Contributions receivable	(435,209)	(101,211)
Prepaid expenses and other assets	36,229	(29,366)
Accounts payable	12,600	18,654
Accrued expenses	<u>(2,877)</u>	<u>(20,172)</u>
Net cash provided by (used in) operating activities	<u>103,810</u>	<u>(199,486)</u>
 <b>Cash flows from investing activities:</b>		
Purchases of furniture and equipment	(36,837)	(5,772)
Purchases of investments	(2,276)	(93,065)
Sales and maturities of investments	361,626	194,492
Purchases of restricted investments	<u>-</u>	<u>(1,115)</u>
Net cash provided by investing activities	<u>322,513</u>	<u>94,540</u>
Net increase (decrease) in cash and cash equivalents	426,323	(104,946)
Cash and cash equivalents at beginning of year	<u>628,278</u>	<u>733,224</u>
Cash and cash equivalents at end of year	<u>\$ 1,054,601</u>	<u>\$ 628,278</u>

The accompanying notes are an integral part of these statements.



## CINCINNATI WORKS, INC.

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

#### NOTE A – NATURE OF OPERATIONS

Cincinnati Works, Inc. (the “Organization”) is a not-for-profit corporation serving the Greater Cincinnati community, whose mission is to partner with all willing and capable people living in poverty to assist them in advancing to economic self-sufficiency through employment. The Organization’s revenue and other support are derived principally from contributions and grants.

The Organization serves the Greater Cincinnati community through the Job Readiness Program, the Advancement Program, the Phoenix Program, the Next Step Program, and City Link. The Job Readiness Program provides job seekers with soft skills to be successful, promotable employees. This program focuses on job acquisition and retention. The Advancement Program provides assistance to workers striving to increase wages and meet career goals. This program is targeted at workers earning below self-sufficiency wages. The Phoenix Program is designed to reach individuals most at risk of becoming victims or offenders of gun violence primarily as a result of gang interaction. The goal is to rescue young people from the streets, allowing them to become contributing citizens. The Next Step Program focuses on foster youth who find they are “aging out” of the foster care system, and are in need of help transitioning to a stable future as young adults. The Organization also provides workforce development services to City Link, which is a non-profit that offers the poor/working poor a path to self-sufficiency through a program of bundled services.

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Presentation

The financial statements of the Organization are presented on the accrual basis of accounting. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Unrestricted* – Net assets that are not subject to donor-imposed stipulations.

*Temporarily restricted* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization, the passage of time, or an enacted version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”).

*Permanently restricted* – Net assets subject to donor imposed stipulations that must be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general purposes.

Contributions, including certain grants from foundations, corporations, and government agencies, are recorded in the appropriate net asset class when the promise to give is received. For grants where the receipt of payment is conditional, revenue is recognized as contractual services are performed and the eligible expenses are incurred. When a donor stipulated time or purpose restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted gifts and investment income with donor-imposed restrictions for which the restriction is met in the same period are recorded as temporarily restricted and then released from restriction.

## CINCINNATI WORKS, INC.

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015 and 2014

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 1. Basis of Presentation (continued)

Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any, on the contributions. Allowance is made for uncollectible contributions based upon management's judgment and the creditworthiness of the donor. No allowance was recorded in 2015 or 2014.

Contributions of services are recognized as revenue at their estimated fair value only when the services received require specialized skills possessed by the individuals providing the service and their service would typically need to be purchased if not donated. Recorded contributed services are primarily related to counseling services and are recorded in salaries and wages. The Organization may receive contributions of public service announcements. No amounts have been recorded for public service announcements for 2015 or 2014 as the fair value of the benefit received cannot be reasonably estimated. In 2015 and 2014, donated goods and services benefited the Job Readiness program by \$29,583 and \$51,273, the Advancement program by \$13,369 and \$13,034, the Next Step program by \$4,699 and \$8,122, the Phoenix program by \$17,207 and \$11,711, the City Link program by \$30,576 and \$0, General and Administrative by \$3,956 and \$7,859 and Fundraising by \$2,382 and \$0, respectively. Donated equipment of \$3,203 was capitalized in 2015. No donated equipment was received in 2014.

##### 2. 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

##### 3. Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2015 and 2014, cash equivalents consisted of money market funds, which generally invest in highly liquid commercial paper. At December 31, 2015, the Organization had \$427,789 held in excess of federally insured limits. No amounts were held in excess of federally insured limits as of December 31, 2014. Money market funds included in cash and cash equivalents on the accompanying statement of financial position are not insured or guaranteed by the U.S. government and totaled \$135,389 and \$560,699 at December 31, 2015 and 2014, respectively.

##### 4. Furniture and Equipment

The Organization's policy is to capitalize furniture and equipment purchased or donated having a cost in excess of \$1,000. All items are recorded at cost less accumulated depreciation. Computer equipment, software and licenses are depreciated on a straight-line basis over a three-year period. Furniture is depreciated on a straight-line basis over a five-year period. Furniture of \$26,322 and \$16,227 and equipment of \$81,641 and \$58,996 were recorded as assets at December 31, 2015 and 2014, respectively. Accumulated depreciation totaled \$64,197 and \$55,656 at December 31, 2015 and 2014, respectively. Depreciation expense was \$15,841 and \$15,117 for 2015 and 2014, respectively.

CINCINNATI WORKS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015 and 2014

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Investments and Investment Return

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note E for discussion of fair value measurements.

Investment return for 2015 and 2014 included interest and dividend income of \$34,138 and \$39,099, respectively, and net realized and unrealized gains (losses) of \$(38,379) and \$2,290, respectively.

Unrestricted investments are summarized as follows at year end:

	2015	2014
Certificates of deposit	\$ 250,267	\$ 251,689
Asset-backed securities	12,090	13,089
U.S. government and agency obligations	-	25,310
Corporate bonds	-	100,588
Common stock	2,624	-
Mutual funds	391,721	676,661
International bonds	-	50,953
Exchange-traded funds	113,395	48,600
	<u>\$ 770,097</u>	<u>\$ 1,166,890</u>

Restricted investments amounting to \$45,335 and \$46,271 at December 31, 2015 and 2014, respectively, consist primarily of mutual funds. These investments are restricted as they represent permanently restricted contributions and accumulated investment earnings, which is recorded as unrestricted net assets or temporarily restricted net assets according to donor stipulations.

6. Other Income

Other income consists of reimbursements by other not-for-profit organizations for employment assistance services provided by the Organization's employees.

7. Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Organization may be subject to federal income tax on any unrelated business income.

The Organization evaluates its uncertain tax positions as to whether it is more likely than not a tax position could be sustained in the event of an audit by the applicable taxing authority. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements, and the amount can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. The Organization did not recognize any liabilities for unrecognized tax benefits in 2015 or 2014. Open tax years include 2014, 2013 and 2012.

CINCINNATI WORKS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015 and 2014

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the benefited programs and supporting services based on direct identification, time studies and other methods

9. Risks and Uncertainties

The Organization holds a variety of investments, the underlying securities of which are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk and uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the value may occur in the near term and such changes could materially affect the financial statements.

10. Reclassifications

Certain 2014 amounts have been reclassified to conform to the 2015 presentation.

NOTE C – CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable at December 31, consisted of the following:

	2015	2014
Due within one year	\$ 1,283,670	\$ 991,660
Due in one to five years	1,000,975	877,744
	<u>2,284,645</u>	<u>1,869,404</u>
Less unamortized discount	(25,179)	(45,147)
	<u>\$ 2,259,466</u>	<u>\$ 1,824,257</u>

For payments that extend beyond one year, these pledges receivable have been discounted at rates ranging from 1.65% to 1.76%.

At December 31, 2015 and 2014, approximately 65% and 82%, respectively, of total contributions receivable are due from six and five contributors, respectively. During 2015 and 2014, approximately 61% and 40%, respectively, of the Organization's total contributions and grants were provided by seven and four contributors, respectively.

**CINCINNATI WORKS, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2015 and 2014

**NOTE D – NET ASSETS**

1. Permanently Restricted Net Assets

Permanently restricted net assets are restricted for investment in perpetuity. The investment income on which is expendable to support any activity of the Organization if appropriated for expenditure by the Board of Trustees.

2. Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31 are available for the following purposes:

	<b>2015</b>	<b>2014</b>
Use in future years	\$ 1,031,925	\$ 1,453,919
Facilities and equipment	-	1,946
Job Readiness program	558,555	-
Phoenix program	230,997	-
Advancement program	145,000	252,378
Next Step program	268,445	65,000
City Link program	55,000	55,000
Other	30,489	13,204
	<b>\$ 2,320,411</b>	<b>\$ 1,841,447</b>

3. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time. A summary of restrictions satisfied is as follows:

	<b>2015</b>	<b>2014</b>
Time restriction expired	\$ 326,350	\$ 287,500
Staff development	-	23,061
Technology	11,946	-
Job Readiness program	748,695	448,058
Advancement program	157,378	245,696
Next Step program	74,168	90,604
Phoenix program	232,003	43,200
City Link program	55,000	55,220
Other	350	18,813
	<b>\$ 1,605,890</b>	<b>\$ 1,212,152</b>

**NOTE E – FAIR VALUE MEASUREMENTS**

Financial instruments measured at fair value on a recurring basis using quoted prices for identical instruments in an active market (or level 1 inputs) include exchange-traded funds, and mutual funds. Financial instruments measured at fair value using inputs based on quoted market prices for similar instruments in active markets (or level 2 inputs) include certificates of deposit, asset-backed securities, U.S. government and agency obligations, and corporate and international bonds.

**CINCINNATI WORKS, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2015 and 2014

**NOTE E – FAIR VALUE MEASUREMENTS (continued)**

The following tables summarize financial instruments measured at fair value on a recurring basis in the statement of financial position at December 31, 2015 and 2014.

	Balances at December 31, 2015	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments and restricted investments:				
Certificates of deposit	\$ 250,267	\$ -	\$ 250,267	-
Asset-backed securities	12,090	-	12,090	-
Mutual funds:				
Large cap global and domestic	158,597	158,597	-	-
Small and mid-cap domestic	42,821	42,821	-	-
Developing international	91,840	91,840	-	-
Emerging markets	39,926	39,926	-	-
Alternative strategies	51,187	51,187	-	-
Fixed income	48,297	48,297	-	-
Exchange-traded funds:				
Real estate	51,812	51,812	-	-
Large cap domestic	65,558	65,558	-	-
	<u>\$ 812,395</u>	<u>\$ 550,038</u>	<u>\$ 262,357</u>	<u>\$ -</u>

	Balances at December 31, 2014	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments and restricted investments:				
Corporate bonds	\$ 100,588	\$ -	\$ 100,588	\$ -
Certificates of deposit	251,689	-	251,689	-
U.S. government and agency obligations	25,310	-	25,310	-
Asset-backed securities	13,089	-	13,089	-
International bonds	50,953	-	50,953	-
Mutual funds:				
Large cap global and domestic	249,885	249,885	-	-
Small and mid-cap domestic	43,720	43,720	-	-
Developing international	143,525	143,525	-	-
Emerging markets	44,214	44,214	-	-
Alternative strategies	62,442	62,442	-	-
Fixed income	173,402	173,402	-	-
Exchange-traded funds - real estate	51,840	51,840	-	-
	<u>\$ 1,210,657</u>	<u>\$ 769,028</u>	<u>\$ 441,629</u>	<u>\$ -</u>

**CINCINNATI WORKS, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2015 and 2014

**NOTE E – FAIR VALUE MEASUREMENTS (continued)**

Restricted investments include cash equivalents carried at amortized cost of \$3,037 and \$2,504 at December 31, 2015 and 2014, respectively. These investments do not qualify as securities, thus the fair value disclosures required by Accounting Standards Codification 820, *Fair Value Measurements*, are not provided.

**NOTE F – OFFICE LEASE**

The Organization leases office space under various noncancelable operating leases which are subject to terms of renewal and escalation clauses. Rent expense for 2015 and 2014 amounted to \$124,979 and \$98,939, respectively, and is included in occupancy and utilities expense on the accompanying statements of functional expenses. Future minimum lease payments are as follows:

Year ending December 31,

2016	\$ 131,166
2017	104,334
2018	107,464
2019	110,688

During 2015 and 2014, a board member subleased certain office space and reimbursed the Organization for this and certain other office expenses totaling approximately \$4,000 and \$8,000, respectively.

During 2016, the Organization entered into a one-year lease for office space for \$6,000, commencing on March 1, 2016. The agreement contains a renewal clause for up to four one-year periods subsequent to the initial lease, as agreed to by both parties.

**NOTE G – RETIREMENT PLAN**

The Organization has a defined contribution plan (the “Plan”) covering substantially all employees. Under the terms of the Plan, the Organization has the discretion to make contributions to the Plan. In addition, employees may elect to participate in the salary deferral portion of the Plan. Through December 31, 2015, participants vest in employer contributions at a rate of 20% each year and are fully vested after five years. Effective January 1, 2016, participants vest in employer contributions at a rate of 33.3% each year and are fully vested after three years. Retirement Plan expenses amounted to \$87,524 and \$73,811 for 2015 and 2014, respectively, and are included in salaries, wages and benefits expense on the accompanying statements of functional expenses.

**NOTE H – RELATED PARTY TRANSACTIONS**

Members of the Organization’s Board of Trustees and senior management may, from time to time, be associated, either directly or through interlocking board memberships, with entities doing business with the Organization, or may make contributions to the Organization. The Organization employs a conflict of interest policy that requires any such associations to be disclosed in writing. When such associations exist, measures are taken to mitigate any actual or perceived conflict, including recusal of the board member from any decisions involving the entity doing business with the Organization.

**CINCINNATI WORKS, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2015 and 2014

**NOTE I – SUBSEQUENT EVENTS**

The Organization evaluated its December 31, 2015 financial statements for subsequent events through April 21, 2016, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements.