

UNITY BANCORP INC /NJ/  
Form 11-K  
June 28, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT UNDER SECTION 15(d) OF THE SECURITIES

EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2015

OR

TRANSITIONAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES

EXCHANGE ACT OF 1934

For transition period from: \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: 1-12431

A. Full title of plan and the address of the plan, if different from that of the issuer named below:

UNITY BANK EMPLOYEES' SAVINGS  
AND PROFIT SHARING PLAN AND TRUST

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

UNITY BANCORP, INC.

64 OLD HIGHWAY 22 CLINTON, NJ 08809

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UNITY BANK

Employees' Savings and Profit Sharing Plan and Trust

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Report of Independent Registered Public Accounting Firm

To the Board of Trustees

Unity Bank Employees' Savings and Profit Sharing Plan and Trust

Clinton, NJ:

We have audited the accompanying statements of net assets available for benefits of the Unity Bank Employees' Savings and Profit Sharing Plan and Trust (the "Plan") as of December 31, 2015 and 2014, and the related statement of changes in net assets available for benefits for the year ended December 31, 2015. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the year ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

The supplemental information in the accompanying schedule of assets (held at end of year) as of December 2015, has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but includes supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information in the accompanying schedule, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income

Security Act of 1974. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

As discussed in Note 9 to the financial statements, the entity adopted new accounting guidance related to presentation of fair value of certain investments and disclosure of investments. Certain investments are now shown at contract value rather than fair value on the statement of net assets available for benefits. Prior year disclosures have also been revised to reflect the retrospective application of adopting these changes in accounting. Our opinion is not modified with respect to this matter.

/s/ RSM US LLP

Blue Bell, Pennsylvania

June 28, 2016

UNITY BANK

Employees' Savings and Profit Sharing Plan and Trust

Statements of Net Assets Available for Benefits

December 31, 2015 and 2014

	2015	2014
Assets:		
Investments, at fair value: (See note 6)		
Unity Bancorp, Inc. stock fund	\$ 425,510	\$ 384,033
Mutual Funds	5,323,406	5,897,342
Investments, at contract value (See note 8)		
Guaranteed interest contract	958,989	849,671
Total investments	6,707,905	7,131,046
Notes receivable from participants (See note 3)	158,547	147,710
Net assets available for benefits	\$ 6,866,452	\$ 7,278,756

See accompanying notes to financial statements.

## UNITY BANK

## Employees' Savings and Profit Sharing Plan and Trust

## Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2015

	2015
Additions:	
Additions of net assets attributed to:	
Contributions:	
Employee contributions, including rollovers of \$148,734	\$ 777,473
Employer contributions	311,502
Total contributions	1,088,975
Investment income:	
Net depreciation in fair value of investments	(309,757)
Interest and dividends	306,549
Net investment loss	(3,208)
Interest income on notes receivable from participants	7,181
Total additions	1,092,948
Deductions:	
Deductions from net assets attributed to:	
Benefits paid to participants	(1,501,607)
Administrative expenses	(3,645)
Total deductions	(1,505,252)
Net decrease	(412,304)
Net assets available for benefits:	
Balance, beginning of year	7,278,756
Balance, end of year	\$ 6,866,452

See accompanying notes to financial statements.





UNITY BANK

Employees' Savings and Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2015 and 2014

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of the Unity Bank Employees' Savings and Profit Sharing Plan and Trust (the "Plan") for employees of Unity Bank (the "Bank") have been prepared on an accrual basis and present the net assets available for benefits and the changes in those net assets.

Administrative Expenses

Administrative fees of the Plan include certain fees charged directly to individual participants, related directly to transactions or events associated with individual participant accounts. Expenses of administering the Plan are paid directly by the Bank.

Investment Valuation and Income Recognition

Investments are reported at fair value (except for fully benefit-responsive investment contracts, which are reported at contract 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 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.