

**United Way of Greater Cincinnati
and Subsidiary**

Independent Auditor's Report and Consolidated Financial Statements
December 31, 2021 and 2020

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

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Independent Auditor's Report

Board of Directors
United Way of Greater Cincinnati and Subsidiary
Cincinnati, Ohio

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of United Way of Greater Cincinnati and Subsidiary (UWGC), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of United Way of Greater Cincinnati and Subsidiary as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits continued in *Government Auditing Standards*, issued by the Comptroller General of the United States.. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of United Way of Greater Cincinnati and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Greater Cincinnati and Subsidiary's ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United Way of Greater Cincinnati and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Greater Cincinnati and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, including the schedule of expenditures of federal awards as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2022, on our consideration of United Way of Greater Cincinnati and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of Greater Cincinnati and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Greater Cincinnati and Subsidiary's internal control over financial reporting and compliance.

FORVIS,LLP

Cincinnati, Ohio
June 21, 2022

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2021

	Without Donor Restrictions		With Donor	Total
	Operating	Custodial	Restrictions	
ASSETS				
Cash and cash equivalents	\$ 16,281,466	\$ (1,131)	\$ 2,224,146	\$ 18,504,481
Contributions receivable	19,353,735	-	143,904	19,497,639
Less allowance for uncollectible	(5,112,177)	-	-	(5,112,177)
Accounts receivable	694,961	61,324	(3,563)	752,722
Investments	41,823,908	-	4,273,227	46,097,135
Endowment	24,105,587	-	577,022	24,682,609
Beneficial interest in charitable trusts	-	-	18,899,120	18,899,120
Interest in assets at community foundations	268,886	-	-	268,886
Other current assets	447,897	-	12,483	460,380
Notes receivable	598,771	-	-	598,771
Land, buildings and equipment, net	10,806,375	-	-	10,806,375
TOTAL ASSETS	\$ 109,269,409	\$ 60,193	\$ 26,126,339	\$ 135,455,941
LIABILITIES				
Grants and designations payable	\$ 16,245,393	\$ -	\$ -	\$ 16,245,393
Accounts payable	752,588	-	-	752,588
Accrued expenses	1,247,774	-	-	1,247,774
Capital lease obligation	14,957	-	-	14,957
Other liabilities	1,102,210	60,193	-	1,162,403
TOTAL LIABILITIES	19,362,922	60,193	-	19,423,115
NET ASSETS				
Without donor restrictions				
Undesignated	12,869,534	-	-	12,869,534
Designated by the Board	77,036,953	-	-	77,036,953
Total without donor restrictions	89,906,487	-	-	89,906,487
With donor restrictions				
Perpetual in nature	-	-	8,829,319	8,829,319
Purpose restrictions	-	-	15,764,743	15,764,743
Time-restricted for future periods	-	-	1,532,277	1,532,277
Total with donor restrictions	-	-	26,126,339	26,126,339
TOTAL NET ASSETS	89,906,487	-	26,126,339	116,032,826
TOTAL LIABILITIES AND NET ASSETS	\$ 109,269,409	\$ 60,193	\$ 26,126,339	\$ 135,455,941

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2020

	Without Donor Restrictions		With Donor	Total
	Operating	Custodial	Restrictions	
ASSETS				
Cash and cash equivalents	\$ 32,029,192	\$ 166,049	\$ 2,654,354	\$ 34,849,595
Contributions receivable	21,766,802	-	435,903	22,202,705
Less allowance for uncollectible	(5,206,834)	-	-	(5,206,834)
Accounts receivable	2,184,941	209,915	28,729	2,423,585
Investments	19,451,047	-	4,113,878	23,564,925
Endowment	22,618,674	-	577,022	23,195,696
Beneficial interest in charitable trusts	-	-	17,308,538	17,308,538
Interest in assets at community foundations	241,562	-	-	241,562
Other current assets	491,380	-	11,880	503,260
Note receivable	400,000	-	-	400,000
Land, buildings and equipment, net	11,534,405	-	-	11,534,405
TOTAL ASSETS	\$ 105,511,169	\$ 375,964	\$ 25,130,304	\$ 131,017,437
LIABILITIES				
Grants and designations payable	\$ 26,445,991	\$ -	\$ -	\$ 26,445,991
Accounts payable	878,453	-	-	878,453
Accrued expenses	1,048,006	-	-	1,048,006
Capital lease obligation	30,474	-	-	30,474
Other liabilities	1,475,071	375,964	-	1,851,035
TOTAL LIABILITIES	29,877,995	375,964	-	30,253,959
NET ASSETS				
Without donor restrictions				
Undesignated	13,014,936	-	-	13,014,936
Designated by the Board	62,618,238	-	-	62,618,238
Total without donor restrictions	75,633,174	-	-	75,633,174
With donor restrictions				
Perpetual in nature	-	-	8,041,264	8,041,264
Purpose restrictions	-	-	15,573,774	15,573,774
Time-restricted for future periods	-	-	1,515,266	1,515,266
Total with donor restrictions	-	-	25,130,304	25,130,304
TOTAL NET ASSETS	75,633,174	-	25,130,304	100,763,478
TOTAL LIABILITIES AND NET ASSETS	\$ 105,511,169	\$ 375,964	\$ 25,130,304	\$ 131,017,437

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT & REVENUE			
Gross campaign results (2021/2022)	\$ 26,397,496	\$ 310,000	\$ 26,707,496
Less donor designations	(7,502,936)	-	(7,502,936)
Less provision for uncollectible	(2,431,100)	-	(2,431,100)
Net campaign revenue (2021/2022)	<u>16,463,460</u>	<u>310,000</u>	<u>16,773,460</u>
Gross campaign results (2020/2021)	10,924,290	75,000	10,999,290
Change in provision for uncollectible	514,423	-	514,423
Net campaign revenue (2020/2021)	<u>11,438,713</u>	<u>75,000</u>	<u>11,513,713</u>
Gross campaign results (2019/2020)	-	-	-
Change in provision for uncollectible	(334,007)	-	(334,007)
Net campaign revenue (2019/2020)	<u>(334,007)</u>	<u>-</u>	<u>(334,007)</u>
Other contributions	124,253	371,427	495,680
Designations from other United Ways	83,587	-	83,587
Service fees	301,083	5,500	306,583
Grants and contracts	4,022,491	446,703	4,469,194
Income on beneficial interest in charitable trusts	531,548	469,290	1,000,838
Net investment return	909,205	99,096	1,008,301
Net realized gain/(loss) on investments	1,090,841	229,868	1,320,709
Net unrealized gain/(loss) on investments	1,085,462	339,175	1,424,637
Fair value change of beneficial interest in charitable trusts	-	1,591,185	1,591,185
Donated materials and services	781,430	-	781,430
Miscellaneous income	466,399	-	466,399
Net assets released from restrictions	<u>2,941,209</u>	<u>(2,941,209)</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>39,905,674</u>	<u>996,035</u>	<u>40,901,709</u>
EXPENSES			
Program services			
Grants and distributions	20,456,987	-	20,456,987
Less donor designations	(7,502,936)	-	(7,502,936)
Net grants and distributions	<u>12,954,051</u>	<u>-</u>	<u>12,954,051</u>
Other program services	5,786,369	-	5,786,369
Total program services	<u>18,740,420</u>	<u>-</u>	<u>18,740,420</u>
Supporting services	6,891,941	-	6,891,941
TOTAL EXPENSES	<u>25,632,361</u>	<u>-</u>	<u>25,632,361</u>
CHANGE IN NET ASSETS	14,273,313	996,035	15,269,348
NET ASSETS, BEGINNING OF YEAR	<u>75,633,174</u>	<u>25,130,304</u>	<u>100,763,478</u>
NET ASSETS, END OF YEAR	<u>\$ 89,906,487</u>	<u>\$ 26,126,339</u>	<u>\$ 116,032,826</u>

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT & REVENUE			
Gross campaign results (2020/2021)	\$ 29,832,782	\$ 1,042,633	\$ 30,875,415
Less donor designations	(7,038,183)	-	(7,038,183)
Less provision for uncollectible	(3,195,500)	-	(3,195,500)
Net campaign revenue (2020/2021)	<u>19,599,099</u>	<u>1,042,633</u>	<u>20,641,732</u>
Gross campaign results (2019/2020)	5,093,790	100,000	5,193,790
Change in provision for uncollectible	1,000,828	-	1,000,828
Net campaign revenue (2019/2020)	<u>6,094,618</u>	<u>100,000</u>	<u>6,194,618</u>
Gross campaign results (2018/2019)	216,733	-	216,733
Change in provision for uncollectible	72,721	-	72,721
Net campaign revenue (2018/2019)	<u>289,454</u>	<u>-</u>	<u>289,454</u>
Other contributions	28,623,649	711,295	29,334,944
Designations from other United Ways	275,365	-	275,365
Service fees	416,081	-	416,081
Grants and contracts	1,833,642	441,410	2,275,052
Income on beneficial interest in charitable trusts	303,912	453,012	756,924
Net investment return	605,725	67,590	673,315
Net realized gain/(loss) on investments	229,136	38,698	267,834
Net unrealized gain/(loss) on investments	2,417,456	465,261	2,882,717
Fair value change of beneficial interest in charitable trusts	-	1,223,911	1,223,911
Donated materials and services	1,528,662	-	1,528,662
Miscellaneous income	266,671	-	266,671
Net assets released from restrictions	<u>2,418,734</u>	<u>(2,418,734)</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>64,902,204</u>	<u>2,125,076</u>	<u>67,027,280</u>
EXPENSES			
Program services			
Grants and distributions	31,621,650	-	31,621,650
Less donor designations	(7,038,183)	-	(7,038,183)
Net grants and distributions	<u>24,583,467</u>	<u>-</u>	<u>24,583,467</u>
Other program services	6,110,250	-	6,110,250
Total program services	<u>30,693,717</u>	<u>-</u>	<u>30,693,717</u>
Supporting services	7,934,991	-	7,934,991
TOTAL EXPENSES	<u>38,628,708</u>	<u>-</u>	<u>38,628,708</u>
CHANGE IN NET ASSETS	26,273,496	2,125,076	28,398,572
NET ASSETS, BEGINNING OF YEAR	<u>49,359,678</u>	<u>23,005,228</u>	<u>72,364,906</u>
NET ASSETS, END OF YEAR	<u>\$ 75,633,174</u>	<u>\$ 25,130,304</u>	<u>\$ 100,763,478</u>

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

	PROGRAM SERVICES				SUPPORT SERVICES			Total
	Community Impact	Direct Services	Central Services	Program Services Total	Organizational Administration	Fundraising	Support Services Total	
EXPENSES								
Grants and distributions	\$ 20,455,187	\$ 1,800	\$ -	\$ 20,456,987	\$ -	\$ -	\$ -	\$ 20,456,987
Less donor designations	(7,502,936)	-	-	(7,502,936)	-	-	-	(7,502,936)
Sub-Total	12,952,251	1,800	-	12,954,051	-	-	-	12,954,051
Salaries	1,348,878	1,251,563	-	2,600,441	1,549,575	1,768,726	3,318,301	5,918,742
Payroll taxes	118,621	84,367	-	202,988	139,742	149,636	289,378	492,366
Employee benefits	108,002	97,326	-	205,328	111,524	136,810	248,334	453,662
Sub-Total	1,575,501	1,433,256	-	3,008,757	1,800,841	2,055,172	3,856,013	6,864,770
Contract services	441,485	293,362	-	734,847	482,176	59,638	541,814	1,276,661
Office expense	202,509	47,789	-	250,298	138,098	51,300	189,398	439,696
Printing and publications	7,866	10,615	-	18,481	10,892	16,269	27,161	45,642
Information technology	322,192	226,120	-	548,312	154,738	269,575	424,313	972,625
Occupancy	467,049	104,521	-	571,570	463,624	221,775	685,399	1,256,969
Advertising and promotions	345,223	14,848	-	360,071	12,824	17,895	30,719	390,790
Travel	5,165	5,602	-	10,767	3,765	2,613	6,378	17,145
Meetings and events	299,778	244,054	-	543,832	68,084	96,009	164,093	707,925
Staff development	878	1,034	-	1,912	6,464	709	7,173	9,085
Dues	189,712	167,133	-	356,845	222,771	248,813	471,584	828,429
Interest	282	257	-	539	323	368	691	1,230
Insurance	26,548	5,729	-	32,277	56,340	18,507	74,847	107,124
Miscellaneous	33,947	13,934	-	47,881	87,572	9,876	97,448	145,329
Depreciation and amortization	132,380	120,428	-	252,808	151,314	172,683	323,997	576,805
Sub-Total	2,475,014	1,255,426	-	3,730,440	1,858,985	1,186,030	3,045,015	6,775,455
Less interdepartmental expenses	(30,000)	(922,828)	-	(952,828)	(9,087)	-	(9,087)	(961,915)
Total expenses included in the expense section of the statement of activities	<u>\$ 16,972,766</u>	<u>\$ 1,767,654</u>	<u>\$ -</u>	<u>\$ 18,740,420</u>	<u>\$ 3,650,739</u>	<u>\$ 3,241,202</u>	<u>\$ 6,891,941</u>	<u>\$ 25,632,361</u>

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

EXPENSES	PROGRAM SERVICES				SUPPORT SERVICES			Total
	Community Impact	Direct Services	Central Services	Program Services Total	Organizational Administration	Fundraising	Support Services Total	
Grants and distributions	\$ 31,621,650	\$ -	\$ -	\$ 31,621,650	\$ -	\$ -	\$ -	\$ 31,621,650
Less donor designations	(7,038,183)	-	-	(7,038,183)	-	-	-	(7,038,183)
Sub-Total	<u>24,583,467</u>	<u>-</u>	<u>-</u>	<u>24,583,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,583,467</u>
Salaries	1,524,139	541,740	360,227	2,426,106	1,763,079	2,105,751	3,868,830	6,294,936
Payroll taxes	179,698	62,579	41,753	284,030	197,858	263,661	461,519	745,549
Employee benefits	92,808	37,049	23,755	153,612	77,105	132,415	209,520	363,132
Sub-Total	<u>1,796,645</u>	<u>641,368</u>	<u>425,735</u>	<u>2,863,748</u>	<u>2,038,042</u>	<u>2,501,827</u>	<u>4,539,869</u>	<u>7,403,617</u>
Contract services	651,354	102,320	17,910	771,584	319,514	139,326	458,840	1,230,424
Office expense	108,312	26,483	67,861	202,656	130,162	83,404	213,566	416,222
Printing and publications	24,237	3,422	1,434	29,093	10,340	25,589	35,929	65,022
Information technology	261,775	77,129	301,863	640,767	209,153	963,278	1,172,431	1,813,198
Occupancy	230,572	59,532	376,811	666,915	209,919	279,075	488,994	1,155,909
Advertising and promotions	360,390	13,365	1,505	375,260	10,760	185,990	196,750	572,010
Travel	8,414	1,298	3,860	13,572	4,073	9,343	13,416	26,988
Meetings and events	1,210,783	2,206	85	1,213,074	13,686	27,551	41,237	1,254,311
Staff development	5,499	1,515	955	7,969	7,423	6,123	13,546	21,515
Dues	136,770	50,202	30,608	217,580	164,511	188,635	353,146	570,726
Interest	491	175	116	782	557	683	1,240	2,022
Insurance	8,288	480	40,001	48,769	17,251	853	18,104	66,873
Miscellaneous	18,943	81	32,693	51,717	6,896	9,337	16,233	67,950
Depreciation and amortization	150,692	53,794	35,708	240,194	170,939	209,838	380,777	620,971
Sub-Total	<u>3,176,520</u>	<u>392,002</u>	<u>911,410</u>	<u>4,479,932</u>	<u>1,275,184</u>	<u>2,129,025</u>	<u>3,404,209</u>	<u>7,884,141</u>
Less interdepartmental expenses	<u>(185,620)</u>	<u>-</u>	<u>(1,047,810)</u>	<u>(1,233,430)</u>	<u>(9,087)</u>	<u>-</u>	<u>(9,087)</u>	<u>(1,242,517)</u>
Total expenses included in the expense section of the statement of activities	<u>\$ 29,371,012</u>	<u>\$ 1,033,370</u>	<u>\$ 289,335</u>	<u>\$ 30,693,717</u>	<u>\$ 3,304,139</u>	<u>\$ 4,630,852</u>	<u>\$ 7,934,991</u>	<u>\$ 38,628,708</u>

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 15,269,348	\$ 28,398,572
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized (gain)/loss on investments	(1,320,709)	(267,834)
Net unrealized (gain)/loss on investments	(1,424,637)	(2,882,717)
Depreciation and amortization	576,805	620,971
Net (gain)/loss on disposal of assets	(229,817)	61,169
Change in fair value of beneficial interest in charitable trusts	(1,591,185)	(1,223,911)
Provision for uncollectible contributions receivable	2,250,684	2,151,951
Reserve for software license obsolescence	11,312	660,026
Change in cash value of life insurance	(5,706)	652
Forgiveness of Paycheck Protection Program loan	(1,383,300)	-
Transfer of Middletown Area investments	(451,031)	-
Changes in:		
Contributions and accounts receivable	1,990,130	6,723,754
Software licenses	-	(649,788)
Other current and long-term assets and liabilities	732,545	1,795,108
Grants and accounts payable and accrued expenses	(10,086,237)	(3,420,144)
Net cash provided by operating activities	<u>4,338,202</u>	<u>31,967,809</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	175,279,676	121,929,155
Purchase of investments	(196,129,746)	(123,706,993)
Proceeds from sale of property and equipment	504,500	-
Purchase of property and equipment	(123,458)	(72,469)
Proceeds from repayment of notes receivable	109,051	-
Issuance of notes receivable	(307,822)	-
Net cash used in investing activities	<u>(20,667,799)</u>	<u>(1,850,307)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of capital lease obligations	(15,517)	(14,726)
Net cash used in financing activities	<u>(15,517)</u>	<u>(14,726)</u>
Increase/(decrease) in cash and cash equivalents	(16,345,114)	30,102,776
Cash and cash equivalents at beginning of year	<u>34,849,595</u>	<u>4,746,819</u>
Cash and cash equivalents at end of year	<u>\$ 18,504,481</u>	<u>\$ 34,849,595</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	\$ 1,230	\$ 2,022

See Notes to Consolidated Financial Statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE A - ORGANIZATION

United Way of Greater Cincinnati (UWGC) believes all families in our region deserve economic wellbeing, so we build solutions and align systems to help people thrive. UWGC works closely with communities to identify patterns, uncover the greatest need and change systems so fewer people need relief in the future. UWGC invests programs and initiatives providing health, education, financial and human services in the Greater Cincinnati community. UWGC, incorporated in 1920 in the State of Ohio as a charitable organization, is recognized as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

UWGC solicits funds throughout the year to finance a range of programs and initiatives designed to improve the wellbeing of families throughout Greater Cincinnati. Revenues, gains and other support, grants, and payments to other United Way organizations are recorded by UWGC.

UWGC operates through five major functional areas and is governed by a volunteer Board of Directors. The five functional areas are:

1. Community Impact

UWGC is well positioned to lead a collective impact effort around education, health and wellness, financial stability and basic needs. In its role as a convener, UWGC has brought together key stakeholders from throughout the ten-county region (Hamilton, Clermont, Brown, and Butler counties in Ohio; Boone, Kenton, Campbell, and Grant counties in Kentucky; and Dearborn and Ohio counties in Indiana) to establish a common vision and pursue evidence-based actions in mutually reinforcing ways. In the fall of 2021, Middletown service area in Butler county in Ohio was transferred to United Way of Butler County.

UWGC's Agenda for Community Impact is based on the three essential building blocks for a good life:

- Education is the basis for individual success; it is essential to getting and keeping a job with a livable wage and health benefits.
- An income adequate to pay for today's necessities and save for the future provides individuals and families some sense of financial stability.
- Access to quality health care keeps children on track in school, adults productive at work and provides a foundation of care and support to ensure healthy lives for all people.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE A - ORGANIZATION (continued)

1. Community Impact (continued)

Staff and volunteers work diligently to make data-informed decisions on initiatives, programs and strategies designed to improve the economic wellbeing of Greater Cincinnati families. UWGC agency and community partners refine strategies, adjust performance measures and improve measurement systems to reach goals. Funding decisions are based on best-practice research. Strategic community initiatives promote collaborative problem solving and community development with governmental and non-profit agencies. Advocacy and the promotion of public policy with elected and appointed federal, state and local officials is an important component of the work to meet health and human service needs.

2. Direct Services

Direct Services are services provided by UWGC, such as United Way 211 and United Way Volunteer Connection.

United Way 211 links people to services and volunteer opportunities. United Way 211 is available 24 hours a day, seven days a week to people in: Hamilton, Clermont, Brown, and Butler Counties and Middletown in Ohio; Boone, Kenton, Campbell, and Grant counties in Kentucky; and Dearborn, Jefferson, Ohio, Ripley, and Switzerland counties in Indiana.

United Way Volunteer Connection strives to increase the effectiveness and participation of all segments of volunteer resources through recruitment, training, education, and recognition.

3. Fundraising

Fundraising plans, directs, and controls the development of financial resources for UWGC through a variety of fundraising activities, including the annual campaign, campaign communications, planned and deferred giving, and supplemental fundraising.

4. Organizational Administration

Organizational Administration directs the internal operation of UWGC, coordinates and manages programs designed to meet goals and objectives at the direction of the Board of Directors, directs and controls financial and technology systems and assets of UWGC, and manages human resources of UWGC.

5. Central Services

Central Services include self-supporting programs which serve UWGC's operating divisions and other nonprofit organizations. These fee-producing programs include group employee benefit administration, buildings and grounds management and accounting. UWGC discontinued these programs in 2021.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation

The consolidated financial statements include the accounts of UWGC and UWGC Foundation (the Foundation).

The Foundation, a wholly-owned subsidiary of UWGC, was established for the purpose of handling endowed investments and related activities.

“UWGC” is used herein to refer to UWGC individually and, as applicable, to both organizations on a consolidated basis. All significant intercompany accounts and transactions have been eliminated upon consolidation.

2. Financial Statement Presentation

UWGC classifies its net assets and revenues, expenses, gains and losses, based on the existence or absence of donor-imposed restrictions. The accompanying financial statements have been prepared using the accrual basis of accounting.

3. Cash and Cash Equivalents

UWGC considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2021 and 2020, cash equivalents consisted primarily of money market mutual funds.

UWGC’s cash accounts exceeded federally insured limits by approximately \$8,355,900 at December 31, 2021.

4. Contributions Receivable

UWGC’s contributions receivable include contributions from the fundraising campaign conducted each fall. Contributions receivable are due in accordance with the donor’s stipulation on the pledge form. Contributions receivable are stated at amounts due from donors net of an allowance for uncollectible contributions. UWGC determines its allowance for uncollectible contributions based on historical experience, an assessment of economic conditions, and a review of subsequent collections. UWGC writes off contributions receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for uncollectible contributions.

5. Investments and Net Investment Return

Investments are reported at fair value in the statements of financial position. The value of investments in hedge funds is determined using net asset value (NAV), as a practical expedient. Investments include money market funds held in brokerage accounts.

Interest and dividend income, less investment expenses are included on the consolidated statement of activities as net investment return. Gains and losses and investment income are allocated on a percentage basis to applicable funds.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Land, Buildings and Equipment

Land, buildings and equipment additions over \$5,000 are recorded at cost, or fair value, if donated, at time of acquisition or donation and depreciated generally on a straight-line basis over the estimated useful lives of each asset, which range from 3 to 40 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Cost of maintenance and repairs that do not improve or extend the lives of the respective assets are expensed.

UWGC evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result for the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2021 and 2020.

7. Contributions

Contributions are provided to UWGC either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on UWGC overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Contributions (continued)

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Contributions and investment income that are originally restricted by the donor and for which the restriction is met in the same period the gift is received as recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction. There were conditional contributions of \$1,383,300 related to the Paycheck Protection Program loan as of December 31, 2020. There were no conditional contributions as of December 31, 2021.

Contributions made (grants) are recognized in the year when the related commitments are made.

Certain contributions received in fundraising campaigns are designated by individuals for specific agencies or for United Way organizations in areas other than the Greater Cincinnati service area. Accounting standards require that organizations who receive contributions that are designated by donors for other organizations exclude such designated contributions from amounts recognized as contributions received and contributions made. UWGC classifies and reports such designations in its consolidated statements of activities as a reduction of contribution revenue and of grants expense.

8. Donated Materials and Services

Contributions of materials and services are recognized as revenue at their estimated fair value. Donated services are recognized only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Donated materials and services in 2021 and 2020 total approximately \$781,300 and \$1,529,000, respectively, and primarily includes advertising and hand sanitizer.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Grants Expense

UWGC records grants to agencies as grants expense in the period such grants are approved by the Board of Directors and commitments are made to the recipient agencies. In 2020, UWGC had a policy of making grant commitments in the fall for a grant funding year of January 1 to December 31. In 2021, UWGC changed the policy to a grant funding year of July 1 to June 30. This policy is effective starting July 1, 2022.

In July 2021, the UWGC Board of Directors approved 6-month grants to fund agencies for the period January 1, 2022 to June 30, 2022.

10. Functional Allocation of Expenses

The costs of supporting the program services and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program and support services categories based on specific identification and UWGC staff time spent within each functional area.

11. Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Net assets without donor restrictions are available for use in general support of UWGC activities and not subject to donor restrictions. Custodial funds represent balances held for agencies that participate in UWGC group benefit plans. The governing board has designated, from net assets without donor restrictions, net assets for specific purposes (see Note M).

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity. All growth is recorded as with donor restriction.

12. Capital Lease Obligation

Capital leases include leases covering copiers expiring September 2022.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

13. Market and Credit Risk

UWGC holds investments in equity, debt securities, repurchase agreements, and hedge funds. Management does not believe there are any undue concentrations of risk with regard to investments held. UWGC's contributions receivable are from various employers, employees of such employers and from the general public in the Greater Cincinnati area.

UWGC invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated statements of financial position.

14. Income Taxes

UWGC is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, UWGC is subject to federal income tax on any unrelated business taxable income. UWGC files tax returns in the U.S. federal jurisdiction.

15. Use of Estimates

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

NOTE C – REVENUE FROM CONTRACTS WITH THIRD PARTIES

The majority of UWGC's revenues come from contributions and investment income, which are outside the scope of Topic 606. UWGC's services that fall within the scope of Topic 606 are as follows:

Service Fee Revenue

Service fees revenue is recognized as UWGC satisfies performance obligations under its contract with third parties to perform various administrative and project management services. UWGC recognizes revenue when performance obligations under the terms of the contracts with third parties are satisfied.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE C – REVENUE FROM CONTRACTS WITH THIRD PARTIES (continued)

Performance obligations are determined based on the nature of services provided by UWGC in accordance with the contract. Revenue for performance obligations satisfied over time is recognized ratably over the period based on time elapsed. UWGC believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

UWGC has determined that the nature, amount, timing and uncertainty of service fee revenue and cash flows are affected by the mix of services provided to third parties.

NOTE D - CONTRIBUTIONS RECEIVABLE

Contributions receivable without donor-imposed restrictions and the related allowance for uncollectible contributions at December 31, 2021 and 2020:

	Contributions Receivable	Allowance for Uncollectible	Net Contributions Receivable
2021			
Campaign 2021-2022	\$ 16,261,245	\$ (2,431,100)	\$ 13,830,145
Campaign 2020-2021	3,092,490	(2,681,077)	411,413
Total	<u>\$ 19,353,735</u>	<u>\$ (5,112,177)</u>	<u>\$ 14,241,558</u>
2020			
Campaign 2020-2021	\$ 16,218,187	\$ (3,195,500)	\$ 13,022,687
Campaign 2019-2020	5,084,314	(2,011,334)	3,072,980
Future Campaigns	464,301	-	464,301
Total	<u>\$ 21,766,802</u>	<u>\$ (5,206,834)</u>	<u>\$ 16,559,968</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE D - CONTRIBUTIONS RECEIVABLE (continued)

In addition, UWGC has received multi-year contributions, as follows:

	2021	2020
Within one year	\$ 100,000	\$ 575,008
One to five years	46,100	750,000
	<u>146,100</u>	<u>1,325,008</u>
Less: present value component	(2,196)	(10,694)
Total multi-year contributions receivable	<u>\$ 143,904</u>	<u>\$ 1,314,314</u>
Included in without donor restrictions contributions above	\$ -	\$ 878,411
Included in with donor restrictions contributions	143,904	435,903
Total	<u>\$ 143,904</u>	<u>\$ 1,314,314</u>

NOTE E - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2021 and 2020:

	Without Donor Restrictions		With Donor	Total
	Operating	Custodial	Restrictions	
2021				
Interest and dividends	\$ 139,124	\$ -	\$ -	\$ 139,124
Other receivables	264,793	61,324	(3,563)	322,554
Grant receivables	291,044	-	-	291,044
Total	<u>\$ 694,961</u>	<u>\$ 61,324</u>	<u>\$ (3,563)</u>	<u>\$ 752,722</u>
2020				
Other receivables	\$ 705,433	\$ 209,915	\$ 28,729	\$ 944,077
Interest and dividends	96,343	-	-	96,343
Grant receivables	1,383,165	-	-	1,383,165
Total	<u>\$ 2,184,941</u>	<u>\$ 209,915</u>	<u>\$ 28,729</u>	<u>\$ 2,423,585</u>

All accounts were deemed collectible as of December 31, 2021 and 2020.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE F - INVESTMENTS

This information includes investments, endowments, and interest in assets at community foundations as seen in the consolidated statements of financial position. The cost and fair value of investments and the unrealized gain (loss) at December 31, 2021 and 2020 are summarized as follows by type of investment:

	<u>Cost</u>	<u>Net Unrealized Gain (Loss)</u>	<u>Fair Value</u>
2021			
Common stock	\$ 4,967,900	\$ 1,995,492	\$ 6,963,392
Corporate bonds	26,239,008	2,571,369	28,810,377
Treasury bonds	2,966,451	(18,734)	2,947,717
Equity mutual funds	11,238,545	1,462,932	12,701,476
Fixed income mutual funds	39,337	4,112	43,449
Money market investments	1,038,439	-	1,038,439
Pooled debt and equity funds	12,001,186	1,279,835	13,281,021
US government securities	1,250,285	(5,766)	1,244,519
Hedge funds	1,000,000	558,378	1,558,378
Private equity	2,285,266	174,596	2,459,862
Total	<u>\$ 63,026,417</u>	<u>\$ 8,022,214</u>	<u>\$ 71,048,630</u>
	<u>Cost</u>	<u>Net Unrealized Gain (Loss)</u>	<u>Fair Value</u>
2020			
Common stock	\$ 2,973,178	\$ 1,685,094	\$ 4,658,272
Corporate bonds	21,629,478	690,734	22,320,212
Equity mutual funds	10,669,485	2,389,116	13,058,601
Fixed income mutual funds	21,116	(1,279)	19,837
Money market investments	577,507	(17)	577,490
Pooled debt and equity funds	758,618	1,258,622	2,017,240
US government securities	558,471	(143)	558,328
Hedge funds	1,000,000	476,134	1,476,134
Private equity	2,000,000	316,069	2,316,069
Total	<u>\$ 40,187,853</u>	<u>\$ 6,814,330</u>	<u>\$ 47,002,183</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE F – INVESTMENTS (continued)

Alternative Investments

The fair value of alternative investments has been estimated using the net asset value per share of the investments as a practical expedient. Alternative investments held at December 31, 2021 and 2020 consist of the following:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
2021				
Private equity funds	<u>\$ 2,459,862</u>	<u>\$ -</u>	Qrtly	65 days
Hedge funds	<u>\$ 1,558,378</u>	<u>\$ -</u>	Qrtly	65 days
2020				
Private equity funds	<u>\$ 2,316,069</u>	<u>\$ -</u>	Qrtly	65 days
Hedge funds	<u>\$ 1,476,134</u>	<u>\$ -</u>	Qrtly	65 days

UWGC's alternative investments consist of a multi-strategy hedge fund of funds and private equity fund that seek to achieve long-term returns commensurate with the long-term returns from a portfolio invested in the general equity markets, while experiencing volatility that is consistent with a portfolio invested in the general debt markets.

NOTE G - CHARITABLE TRUST AGREEMENTS

UWGC is the beneficiary of several perpetual trusts. Under the terms of these agreements, UWGC is to receive income earned on trust assets annually for its use into perpetuity. At the time UWGC is notified of its interest, the fair value of UWGC's interest in these perpetual trusts is recorded as a contribution with donor restrictions and a beneficial interest in the charitable trust. The estimated value of expected future cash flows is evaluated annually and any change in value is classified as with donor restrictions.

UWGC is also the beneficiary of several charitable remainder trusts. Under the terms of these agreements, the beneficiaries designated by the donor receive periodic distributions from the trust for either a specified dollar amount or a specified percentage of the trust's fair market value over the trust's term. Upon termination of the trust, UWGC receives its entire portion of the assets remaining in the trust.

At the time UWGC is notified of its interest, the present value of the estimated future benefits to be received is recorded as a contribution with donor restrictions and a beneficial interest in charitable trust. Income received from beneficial interests in charitable trusts for the year ended December 31, 2021 and 2020 was \$1,000,838 and \$756,924, respectively. The estimated value of expected future cash flows is evaluated annually and any change in value is classified as with donor restrictions.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE H – NOTES RECEIVABLE

On January 1, 2018, UWGC made a \$400,000 investment in United Way Digital Holdings, LLC (UWDH, LLC). On December 31, 2018, the investment interest was assumed by United Way Worldwide (UWW) in exchange for a note receivable for \$400,000 payable to UWGC. The note has an interest rate of 2.72% per annum accrued. The principal will be repaid in four equal installments of \$100,000 starting December 1, 2020, through December 1, 2023. The balance of the note receivable at December 31, 2021 and 2020 was \$300,000 and \$400,000, respectively.

In 2021, UWGC entered into two promissory note agreements with two organizations. The notes were set up for obligations under the defined benefit pension plan (see Note K). The promissory notes are three-year notes with a 5% per annum interest rate. Principal payments are repaid monthly starting December 1, 2021 through November 1, 2024. The balance of the notes receivable as of December 31, 2021 was \$298,771.

All notes were deemed collectible as of December 31, 2021 and 2020.

NOTE I - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment at December 31, 2021 and 2020:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
2021			
Land and land improvements	\$ 744,969	\$ (333,102)	\$ 411,867
Buildings and improvements	14,177,572	(4,124,386)	10,053,186
Office furniture and equipment	2,036,907	(1,695,585)	341,322
Vehicles	35,608	(35,608)	-
Land held for sale	-	-	-
Total	<u>\$ 16,995,056</u>	<u>\$ (6,188,681)</u>	<u>\$ 10,806,375</u>
2020			
Land and land improvements	\$ 744,969	\$ (327,622)	\$ 417,347
Buildings and improvements	14,177,572	(3,744,618)	10,432,954
Office furniture and equipment	2,515,667	(1,904,563)	611,104
Vehicles	49,123	(49,123)	-
Land held for sale	73,000	-	73,000
Total	<u>\$ 17,487,331</u>	<u>\$ (6,025,926)</u>	<u>\$ 11,534,405</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE J – PAYCHECK PROTECTION PROGRAM (PPP) LOAN

In May 2020, UWGC received a loan in the amount of \$1,383,300 pursuant to the Paycheck Protection Program (PPP) and elected to account for the funding as a conditional contribution by applying ASC topic 958-605, *Revenue Recognition*. Revenue is recognized when conditions are met, which include meeting FTE and salary reduction requirements and incurring eligible expenditures. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender. As such, the loan was recorded in other liabilities as of December 31, 2020. The loan was forgiven in May 2021 and recorded as grant revenue at that time.

NOTE K - PENSION PLAN

UWGC and certain affiliated agencies participate in a non-contributory, defined benefit pension plan (the Plan). UWGC serves as the Plan Administrator and accounts for the Plan under accounting principles generally accepted in the United States as a multi-employer plan. UWGC funds and expenses required contributions each year.

The risks of participating in a multi-employer plan are different from single-employer plans in the following aspects:

1. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
2. If a participating employer stops contributing to the plan, the unfunded obligations of the Plan may be borne by the remaining participating employers.
3. If UWGC chooses to stop participating in its multi-employer plan, UWGC may be required to pay the plan an amount based on the underfunded status of the Plan, on a termination basis. This termination amount was approximately \$627,743 at December 31, 2020.

UWGC's participation in this plan for the annual period ended December 31, 2021, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE K - PENSION PLAN (continued)

Pension Fund	EIN/Pension Plan Number	FIP/RP Status Pending/ Implemented	Contributions of UWGC
2021			
Pension Plan for Employee of United Way of Greater Cincinnati and Affiliated Agencies	31-0537502/PN 333	N/A	\$ 64,589
2020			
Pension Plan for Employee of United Way of Greater Cincinnati and Affiliated Agencies	31-0537502/PN 333	N/A	\$ 495,395

As determined by the Plan's actuary, UWGC is noted as providing more than 5 percent of the total contributions for plan year 2021 and 2020. At the date the financial statements were issued, the Form 5500 was not available for the plan year ending in 2021.

In 2021, the Plan was sold to an insurance company and all plan assets were transferred at that time. At the end of 2021, the third party holds the liability for any underfunded status, therefore, UWGC has no liability. UWGC is pursuing termination of the Plan with the Internal Revenue Service and the PBGC and will fully transfer the plan administration to the insurance company upon completion of a buy-out contract with that insurance company. This full transfer of the Plan is expected to be completed in 2022.

UWGC also has a defined contribution plan covering substantially all employees. The Board of Directors annually determines the amount, if any, UWGC contributes to the plan.

Retirement expense for the defined contribution plan for the year ended December 31, 2021 and 2020 was \$122,696 and \$131,266, respectively, and is included in employee benefits expenses. There was no non-elective contribution accrual for 2021 or 2020.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE L - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2021 and 2020 are restricted for the following purposes or periods:

	2021	2020
Held as beneficial interest in charitable trusts	\$ 10,646,822	\$ 9,844,295
Perpetual in nature	8,829,319	8,041,264
Various purpose restrictions	4,426,421	4,445,388
Project Lift / Child Poverty Collaborative	793,801	827,924
Partners for a Competitive Workforce	-	143,407
Success By 6	197,696	312,760
Use in future periods	1,232,280	1,515,266
Total	<u>\$ 26,126,339</u>	<u>\$ 25,130,304</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2021	2020
Expiration of time restrictions	\$ 497,611	\$ 679,445
Satisfaction or purpose restrictions		
Child Poverty Collaborative	474,123	272,121
COVID-19	336,388	-
Success By 6	200,064	375,034
Black Empowerment Works	200,000	-
Partners for a Competitive Workforce	143,406	478,824
Various purpose restrictions	370,043	21,112
Distributions (proceeds are not restricted by donors)		
Beneficial interest in charitable trusts held by others	35,600	34,311
	<u>2,257,235</u>	<u>1,860,847</u>
Restricted-purpose spending-rate distributions and appropriations	<u>683,974</u>	<u>557,887</u>
	<u>\$ 2,941,209</u>	<u>\$ 2,418,734</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE M - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Undesignated UWGC net assets as follows		
Amounts invested in land, buildings and equipment, or designated by the Board for such purposes	\$ 12,869,534	\$ 13,014,936
Total Undesignated	<u>12,869,534</u>	<u>13,014,936</u>
UWGC assets designated by the Board as follows:		
Middletown Community Foundation	-	668,206
Campaign distribution for operating budget	8,373,600	8,225,300
Campaign distribution for undetermined allocations	15,397,747	4,219,061
2020 major donor investments for 2022 distribution	3,765,000	
UWGC program initiatives	172,779	46,779
Board restricted investments	427,383	523,410
Other designations	73,161	71,261
Foundation allocations for operating and capital budgets	1,077,500	773,400
Foundation designated for UWGC campaign	7,698,656	7,037,625
Foundation designated for endowment	17,361,550	15,294,667
UWGC operating reserves	1,250,779	758,529
2020 major donor investment balance	21,438,798	25,000,000
Total Board Designated	<u>77,036,953</u>	<u>62,618,238</u>
Total	<u>\$ 89,906,487</u>	<u>\$ 75,633,174</u>

The Middletown Community Foundation investments were transferred to Butler County United Way in 2021.

NOTE N - RELATED PARTY TRANSACTIONS

UWGC provides services such as employee benefits administration and facility rentals for which it receives a fee from the agencies using these services.

UWGC has an Operating Agreement with Cincinnati Preschool Promise, LLC (CPP, LLC). UWGC, as the initial member, made a \$100 capital contribution to CPP, LLC for 100 units of ownership interest. The UWGC Board of Directors named five Managers and ratified all fifteen members of the CPP, LLC Board of Managers. UWGC received a service fee starting July 1, 2021 from CPP, LLC.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE O – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2021 and 2020, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 16,281,466	\$ 32,195,241
Contributions receivable, net	14,241,558	16,559,968
Accounts receivable	694,961	2,394,856
Investments	41,823,908	19,451,047
Endowment	<u>24,105,587</u>	<u>22,618,674</u>
Total financial assets	97,147,480	93,219,786
Less Foundation investments unavailable for general expenditure	(183,054)	(258,748)
Less board designated amounts not available for general expenditure within one year	<u>(66,162,295)</u>	<u>(52,814,230)</u>
	<u>\$ 30,802,131</u>	<u>\$ 40,146,808</u>

UWGC's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment of \$24,105,587 and \$22,618,674 as of December 31, 2021 and 2020, respectively, is subject to an annual spending rate of 5% as described in Note Q. Although UWGC does not intend to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

Amounts available for expenditure from Foundation investments are approved annually by the Foundation Board in accordance with its spending policy.

UWGC manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. UWGC maintains current financial assets less current liabilities at a minimum of 30 days operating expenses. UWGC has a policy to target a year-end balance of reserves of unrestricted, undesignated net assets to meet one and one half to three months of agency and partner community investments. To achieve these targets, UWGC regularly monitors cash flows, and monitors its reserves annually. In addition, UWGC Board reviews the summarized financial reports monthly.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE P - DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at December 31, 2021 and 2020:

	Fair Value	Fair Value Measurements Using		Investments Measured at NAV (A)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
2021				
Investments				
Common stock	\$ 6,963,392	\$ 6,963,392	\$ -	\$ -
Corporate bonds	28,810,377	-	28,810,377	-
Treasury bonds	2,947,717	-	2,947,717	-
Equity mutual funds	12,701,476	12,701,476	-	-
Fixed income mutual funds	43,449	43,449	-	-
Money market investments	1,038,439	1,038,439	-	-
Pooled debt and equity funds	13,281,021	-	13,182,778	98,243
U.S. government securities	1,244,519	-	1,244,519	-
Hedge funds	1,558,378	-	-	1,558,378
Private equity funds	2,459,862	-	-	2,459,862
Total	<u>\$ 71,048,630</u>	<u>\$ 20,746,756</u>	<u>\$ 46,185,391</u>	<u>\$ 4,116,483</u>
Beneficial interest in charitable trusts	<u>\$ 18,899,120</u>	<u>\$ -</u>	<u>\$ 18,899,120</u>	<u>\$ -</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE P - DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (continued)

	Fair Value	Fair Value Measurements Using		Investments Measured at NAV (A)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
2020				
Investments				
Common stock	\$ 4,658,272	\$ 4,658,272	\$ -	\$ -
Corporate bonds	22,320,212	-	22,320,212	-
Equity mutual funds	13,058,601	13,058,601	-	-
Fixed income mutual funds	19,837	19,837	-	-
Money market investments	577,490	577,490	-	-
Pooled debt and equity funds	2,017,240	-	1,914,584	102,656
U.S. government securities	558,328	-	558,328	-
Hedge funds	1,476,134	-	-	1,476,134
Private equity funds	2,316,069	-	-	2,316,069
Total	<u>\$ 47,002,183</u>	<u>\$ 18,314,200</u>	<u>\$ 24,793,124</u>	<u>\$ 3,894,859</u>
Beneficial interest in charitable trusts	<u>\$ 17,308,538</u>	<u>\$ -</u>	<u>\$ 17,308,538</u>	<u>\$ -</u>

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE P - DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (continued)

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2021.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include common stock, equity mutual funds, fixed income mutual funds and money market investments. For investments, other than alternative investments, the inputs used by the pricing service to determine fair value may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications and are classified within Level 2 of the valuation hierarchy. These Level 2 securities include corporate bonds, pooled debt and equity funds, and U.S. government securities.

For alternative investments that have sufficient activity or liquidity within the fund, fair value is determined using the net asset value (or its equivalent) provided by the fund. These alternative investments include pooled debt and equity funds, which are comprised of marketable securities and are valued based on the underlying market values of the securities. There are no liquidity restrictions on these funds. The value of certain other alternative investments is determined using net asset value (or its equivalent) as a practical expedient. These alternative investments include a hedge fund of funds and private equity fund.

Beneficial Interest in Charitable Trusts

Fair value is estimated at the present value of the future distributions expected to be received approximated by the fair value of the underlying assets in these trusts, which are comprised of marketable securities. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

NOTE Q - ENDOWMENT

UWGC's endowment consists of approximately 125 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

UWGC's governing body has interpreted the State of Ohio Uniform Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE Q – ENDOWMENT (continued)

As a result of this interpretation, UWGC classifies as net assets with donor restriction to be held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of donor-restricted endowment funds is classified as net assets with donor restriction until those amounts are appropriated for expenditure by UWGC in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, UWGC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of UWGC and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of UWGC
7. Investment policies of UWGC

The composition of net assets by type of endowment fund at December 31, 2021 and 2020 were:

	Without Donor Restrictions	With Donor Restrictions	Total
2021			
Donor-restricted endowment funds	\$ -	\$ 5,450,889	\$ 5,450,889
Board-designated endowment funds	24,750,865	-	24,750,865
Total endowment funds	<u>\$ 24,750,865</u>	<u>\$ 5,450,889</u>	<u>\$ 30,201,754</u>
2020			
Donor-restricted endowment funds	\$ -	\$ 5,047,455	\$ 5,047,455
Board-designated endowment funds	22,618,674	-	22,618,674
Total endowment funds	<u>\$ 22,618,674</u>	<u>\$ 5,047,455</u>	<u>\$ 27,666,129</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE Q - ENDOWMENT (continued)

Changes in endowment net assets for the year ended December 31 were:

	Without Donor Restrictions	With Donor Restrictions	Total
2021			
Endowment net assets, beginning of year	\$ 22,618,674	\$ 5,047,455	\$ 27,666,129
Investment return:			
Investment income	1,429,872	328,192	1,758,064
Net appreciation	1,475,008	339,175	1,814,183
Total investment return	2,904,880	667,367	3,572,247
Contributions	542,559	469,415	1,011,974
Appropriation of endowment assets for expenditure	(1,313,027)	(697,748)	(2,010,775)
Other changes	(2,221)	(35,600)	(37,821)
Endowment net assets, end of year	<u>\$ 24,750,865</u>	<u>\$ 5,450,889</u>	<u>\$ 30,201,754</u>
2020			
Endowment net assets, beginning of year	\$ 19,695,069	\$ 4,532,592	\$ 24,227,661
Investment return:			
Investment income	431,793	67,590	499,383
Net appreciation	1,969,155	503,959	2,473,114
Total investment return	2,400,948	571,549	2,972,497
Contributions	1,634,360	553,012	2,187,372
Appropriation of endowment assets for expenditure	(1,108,338)	(575,387)	(1,683,725)
Other changes	(3,365)	(34,311)	(37,676)
Endowment net assets, end of year	<u>\$ 22,618,674</u>	<u>\$ 5,047,455</u>	<u>\$ 27,666,129</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level UWGC is required to retain as a fund of perpetual duration pursuant to donor stipulation. No deficiencies of this nature are reported at December 31, 2021 or 2020.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE Q - ENDOWMENT (continued)

UWGC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds UWGC must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under UWGC's policies, endowment assets are invested in a manner that is intended to produce results that exceed spending plus inflation while assuming a moderate level of investment risk. UWGC expects its endowment funds to provide an average rate of return of approximately 8% over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, UWGC relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). UWGC targets a diversified asset grant that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

UWGC has a spending policy of appropriating for expenditures each year 5% of its endowment fund's average fair value over the prior 12 quarters through the year-end preceding the year in which expenditure is planned. In establishing this policy, UWGC considered the long-term expected return on its endowment. Accordingly, over the long term, UWGC expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with UWGC's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

NOTE R - CONCENTRATIONS

Contributions from one corporate donor and its employees were approximately 24% of total contributions revenue in 2021. Contributions from one individual donor and one corporate donor and its employees were approximately 54% of total contributions revenue in 2020.

NOTE S - CONTINGENCIES

General Litigation

UWGC is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position, change in net assets and cash flows of UWGC.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2021 AND 2020

NOTE S - CONTINGENCIES (continued)

Economic Uncertainties

Economic uncertainties have risen which may negatively affect the financial position, results of operations and cash flows of UWGC. There has been significant volatility in the investment markets both nationally and globally since December 31, 2020, resulting in an overall market decline in certain market segments which has resulted in a substantial decline in the value of certain portions of our investment portfolio. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

NOTE T - SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 21, 2022, which is the date the consolidated financial statements were available to be issued.

NOTE U – FUTURE CHANGE IN ACCOUNTING PRINCIPLE

Accounting for Leases

The Financial Accounting Standards Board amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expenses on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for year beginning January 1, 2022. UWGC is evaluating the impact the standard will have on the financial statements.

SUPPLEMENTAL INFORMATION

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATING SCHEDULE - FINANCIAL POSITION INFORMATION
December 31, 2021

	UWGC			UWGC Foundation		Eliminating Entries		Consolidated Totals			
	Without Donor Restrictions		With Donor	Without Donor	With Donor	Without Donor	With Donor	Without Donor Restrictions		With Donor	Totals
	Operating	Custodial	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	Operating	Custodial	Restrictions	
ASSETS											
Cash and cash equivalents	\$ 15,117,567	\$ (1,131)	\$ 1,622,719	\$ 1,163,899	\$ 601,427,000	\$ -	\$ -	\$ 16,281,466	\$ (1,131)	\$ 2,224,146	\$ 18,504,481
Contributions receivable	19,353,735	-	143,904	-	-	-	-	19,353,735	-	143,904	19,497,639
Less allowance for uncollectible	(5,112,177)	-	-	-	-	-	-	(5,112,177)	-	-	(5,112,177)
Accounts receivable	739,543	61,324	1,094,166	13,518	-	(58,100)	(1,097,729)	694,961	61,324	(3,563)	752,722
Investments	41,640,854	-	-	183,054	4,273,227	-	-	41,823,908	-	4,273,227	46,097,135
Endowment	-	-	-	24,105,587	577,022	-	-	24,105,587	-	577,022	24,682,609
Beneficial interest in charitable trusts	-	-	1,250,588	-	17,648,532	-	-	-	-	18,899,120	18,899,120
Interest in assets at other foundations	-	-	-	268,886	-	-	-	268,886	-	-	268,886
Other current assets	94,262	-	-	353,635	12,483	-	-	447,897	-	12,483	460,380
Notes receivable	598,771	-	-	-	-	-	-	598,771	-	-	598,771
Land, buildings and equipment, net	10,806,375	-	-	-	-	-	-	10,806,375	-	-	10,806,375
TOTAL ASSETS	\$ 83,238,930	\$ 60,193	\$ 4,111,377	\$ 26,088,579	\$ 23,112,691	\$ (58,100)	\$ (1,097,729)	\$ 109,269,409	\$ 60,193	\$ 26,126,339	\$ 135,455,941
LIABILITIES											
Grants and designations payable	\$ 15,771,422	\$ -	\$ -	\$ 1,629,800	\$ -	\$ (1,155,829)	\$ -	\$ 16,245,393	\$ -	\$ -	\$ 16,245,393
Accounts payable	752,588	-	-	-	-	-	-	752,588	-	-	752,588
Accrued expenses	1,247,774	-	-	-	-	-	-	1,247,774	-	-	1,247,774
Capital lease obligation	14,957	-	-	-	-	-	-	14,957	-	-	14,957
Other liabilities	1,102,210	60,193	-	-	-	-	-	1,102,210	60,193	-	1,162,403
TOTAL LIABILITIES	18,888,951	60,193	-	1,629,800	-	(1,155,829)	-	19,362,922	60,193	-	19,423,115
NET ASSETS											
Without donor restrictions											
Undesignated	12,869,534	-	-	-	-	-	-	12,869,534	-	-	12,869,534
Designated by the Board	51,480,445	-	-	24,458,779	-	1,097,729	-	77,036,953	-	-	77,036,953
Total without donor restrictions	64,349,979	-	-	24,458,779	-	1,097,729	-	89,906,487	-	-	89,906,487
With donor restrictions											
Perpetual in nature	-	-	1,250,588	-	7,578,731	-	-	-	-	8,829,319	8,829,319
Purpose restrictions	-	-	1,498,196	-	14,600,076	-	(333,529)	-	-	15,764,743	15,764,743
Time-restricted for future periods	-	-	1,362,593	-	933,884	-	(764,200)	-	-	1,532,277	1,532,277
Total with donor restrictions	-	-	4,111,377	-	23,112,691	-	(1,097,729)	-	-	26,126,339	26,126,339
TOTAL NET ASSETS	64,349,979	-	4,111,377	24,458,779	23,112,691	1,097,729	(1,097,729)	89,906,487	-	26,126,339	116,032,826
TOTAL LIABILITIES AND NET ASSETS	\$ 83,238,930	\$ 60,193	\$ 4,111,377	\$ 26,088,579	\$ 23,112,691	\$ (58,100)	\$ (1,097,729)	\$ 109,269,409	\$ 60,193	\$ 26,126,339	\$ 135,455,941

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATING SCHEDULE - ACTIVITIES INFORMATION

For the Year Ended December 31, 2021

	UWGC		UWGC Foundation		Eliminating Entries		Consolidated Totals		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Totals
PUBLIC SUPPORT & REVENUE									
Gross campaign results (2021/2022)	\$ 26,767,954	\$ 310,000	\$ -	\$ -	\$ (370,458)	\$ -	\$ 26,397,496	\$ 310,000	\$ 26,707,496
Less donor designations	(7,502,936)	-	-	-	-	-	(7,502,936)	-	(7,502,936)
Less provision for uncollectible	(2,431,100)	-	-	-	-	-	(2,431,100)	-	(2,431,100)
Net campaign revenue (2021/2022)	16,833,918	310,000	-	-	(370,458)	-	16,463,460	310,000	16,773,460
Gross campaign results (2020/2021)	10,924,290	75,000	-	-	-	-	10,924,290	75,000	10,999,290
Change in provision for uncollectible	514,423	-	-	-	-	-	514,423	-	514,423
Net campaign revenue (2020/2021)	11,438,713	75,000	-	-	-	-	11,438,713	75,000	11,513,713
Gross campaign results (2019/2020)	-	-	-	-	-	-	-	-	-
Change in provision for uncollectible	(334,007)	-	-	-	-	-	(334,007)	-	(334,007)
Net campaign revenue (2019/2020)	(334,007)	-	-	-	-	-	(334,007)	-	(334,007)
Other contributions	171,416	1,448,803	11,012	124	(58,175)	(1,077,500)	124,253	371,427	495,680
Designations from other United Ways	83,587	-	-	-	-	-	83,587	-	83,587
Service fees	336,683	5,500	-	-	(35,600)	-	301,083	5,500	306,583
Grants and contracts	4,022,491	446,703	-	-	-	-	4,022,491	446,703	4,469,194
Income on beneficial interest in charitable trusts	-	-	531,548	469,290	-	-	531,548	469,290	1,000,838
Net investment return	478,990	-	430,215	99,096	-	-	909,205	99,096	1,008,301
Net realized gain/(loss) on investments	91,185	-	999,656	229,868	-	-	1,090,841	229,868	1,320,709
Net unrealized gain/(loss) on investments	(389,546)	-	1,475,008	339,175	-	-	1,085,462	339,175	1,424,637
Fair value change of beneficial interest in charitable trusts	-	79,895	-	1,511,290	-	-	-	1,591,185	1,591,185
Donated materials and services	781,430	-	-	-	-	-	781,430	-	781,430
Miscellaneous income	465,947	-	452	-	-	-	466,399	-	466,399
Net assets released from restrictions	2,961,031	(2,961,031)	733,349	(733,349)	(753,171)	753,171	2,941,209	(2,941,209)	-
TOTAL PUBLIC SUPPORT AND REVENUE	36,941,838	(595,130)	4,181,240	1,915,494	(1,217,404)	(324,329)	39,905,674	996,035	40,901,709
EXPENSES									
Program services									
Grants and distributions	19,952,345	-	2,010,775	-	(1,506,133)	-	20,456,987	-	20,456,987
Less donor designations	(7,502,936)	-	-	-	-	-	(7,502,936)	-	(7,502,936)
Net Grants and distributions	12,449,409	-	2,010,775	-	(1,506,133)	-	12,954,051	-	12,954,051
Other program services	5,786,369	-	-	-	-	-	5,786,369	-	5,786,369
Total program services	18,235,778	-	2,010,775	-	(1,506,133)	-	18,740,420	-	18,740,420
Supporting services	6,883,563	-	43,978	-	(35,600)	-	6,891,941	-	6,891,941
TOTAL EXPENSES	25,119,341	-	2,054,753	-	(1,541,733)	-	25,632,361	-	25,632,361
CHANGE IN NET ASSETS	11,822,497	(595,130)	2,126,487	1,915,494	324,329	(324,329)	14,273,313	996,035	15,269,348
NET ASSETS AT BEGINNING OF YEAR	52,527,482	4,706,507	22,332,292	21,197,197	773,400	(773,400)	75,633,174	25,130,304	100,763,478
NET ASSETS AT END OF YEAR	\$ 64,349,979	\$ 4,111,377	\$ 24,458,779	\$ 23,112,691	\$ 1,097,729	\$ (1,097,729)	\$ 89,906,487	\$ 26,126,339	\$ 116,032,826

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Department of Homeland Security Emergency Food and Shelter National Board Program	97.024		\$ 25,690
Department of the Treasury Volunteer Income Tax Assistance (VITA) Matching Grant	 21.009		 81,711
Department of Treasury Board of County Commissioners, Hamilton County, OH COVID-19 - Coronavirus Relief Fund	 21.019		 492,777
Department of Treasury City of Cincinnati COVID-19 - Coronavirus State and Local Fiscal Recovery Fund Total Department of Treasury	 21.027	 078 - City ARP	 <u>1,334,096</u> 1,908,584
Department of Housing and Urban Development City of Cincinnati CDBG - Entitlement Grants Community Development Block Grant	 14.218	 15x2021-001	 58,045
Department of Health and Human Services Ohio Department of Jobs and Family Services United Way of Central Ohio 477 Cluster Temporary Assistance for Needy Families Program	 93.558	 G-2021-17-0444	 <u>68,044</u> <u>\$ 2,060,363</u>

The accompanying notes are an integral part of this Schedule

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS DECEMBER 31, 2021 AND 2020

1. The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of United Way of Greater Cincinnati and Subsidiary (UWGC) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of UWGC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of UWGC.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. UWGC has elected not to use the ten percent de minimus indirect cost rate allowed under Uniform Guidance.
3. Under the Department of the Treasury definition of subrecipient, UWGC provided no federal awards to subrecipients.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Directors
United Way of Greater Cincinnati and Subsidiary
Cincinnati, Ohio

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of United Way of Greater Cincinnati and Subsidiary (UWGC), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 21, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered UWGC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of UWGC's internal control. Accordingly, we do not express an opinion on the effectiveness of UWGC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether UWGC's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS,LLP

Cincinnati, Ohio
June 21, 2022

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Directors
United Way of Greater Cincinnati and Subsidiary
Cincinnati, Ohio

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited United Way of Greater Cincinnati and Subsidiary's (UWGC) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on UWGC's major federal program for the year ended December 31, 2021. UWGC's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, United Way of Greater Cincinnati and Subsidiary complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of United Way of Greater Cincinnati and Subsidiary and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of UWGC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to UWGC's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on UWGC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about UWGC's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding UWGC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of UWGC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of UWGC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

FORVIS,LLP

Cincinnati, Ohio
June 21, 2022

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2021

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

Unmodified Qualified Adverse Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)?

Yes None reported

Material weakness(es)?

Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)?

Yes None reported

Material weakness(es)?

Yes No

5. The opinion expressed in the independent auditor's report on compliance for major federal awards was:

Unmodified Qualified Adverse Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

Yes No

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
YEAR ENDED DECEMBER 31, 2021

7. UWGC's major program was:

Cluster/Program	CFDA Number
Coronavirus State and Local Fiscal Recovery Fund	21.027

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. UWGC qualified as a low-risk auditee?

Yes

No

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
YEAR ENDED DECEMBER 31, 2021

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
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No matters are reportable.

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
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No matters are reportable.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2021**

Reference Number	Summary of Finding	Status
	No matters are reportable.	