

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
United Way of Logan County Ohio, Inc.
Bellefontaine, Ohio

We have audited the financial statements of United Way of Logan County, Ohio, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Managements' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Logan County, Ohio, Inc., as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Holbrook & Manter" in a cursive script.

Certified Public Accountants

June 1, 2021
Marysville, Ohio

MEMBERS
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CERTIFIED PUBLIC ACCOUNTANTS
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CERTIFIED PUBLIC ACCOUNTANTS

UNITED WAY OF LOGAN COUNTY, OHIO, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	<u>ASSETS</u>	
	<u>2020</u>	<u>2019</u>
CURRENT ASSETS:-		
Cash and cash equivalents	\$ 381,260	\$ 503,723
Certificates of deposit	32,231	74,337
Investments, at fair value	804,479	392,278
Pledges receivable, net of allowance for uncollectible accounts	586,706	355,042
Prepaid expenses	<u>2,796</u>	<u>5,396</u>
Total current assets	1,807,472	1,330,776
PROPERTY AND EQUIPMENT:-		
Property and equipment	31,104	31,104
Less accumulated depreciation	<u>(21,666)</u>	<u>(17,678)</u>
Net property and equipment	<u>9,438</u>	<u>13,426</u>
OTHER ASSETS:-		
Certificates of deposit	25,623	25,447
Permanently restricted certificate of deposit	<u>22,833</u>	<u>22,833</u>
Total other assets	<u>48,456</u>	<u>48,280</u>
Total assets	\$ <u><u>1,865,366</u></u>	\$ <u><u>1,392,482</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:-		
Allocations payable - agencies	\$ 300,000	\$ 262,116
Allocations payable	18,228	15,437
Accrued payroll liabilities	<u>9,396</u>	<u>7,139</u>
Total current liabilities	327,624	284,692
LONG-TERM LIABILITIES:-		
Note payable	<u>27,652</u>	<u>0</u>
Total long-term liabilities	27,652	0
NET ASSETS:-		
Without donor restrictions	189,707	590,460
With donor restrictions	<u>1,320,383</u>	<u>517,330</u>
Total net assets	<u>1,510,090</u>	<u>1,107,790</u>
Total liabilities and net assets	\$ <u><u>1,865,366</u></u>	\$ <u><u>1,392,482</u></u>

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

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
PUBLIC SUPPORT:-						
Gross current year campaign revenue	\$ 0	\$ 996,296	\$ 996,296	\$ 0	\$ 701,376	\$ 701,376
Less donor designations	0	(54,968)	(54,968)	0	(129,858)	(129,858)
Less provision for uncollectible pledges	0	(79,126)	(79,126)	0	(41,447)	(41,447)
Net current year campaign revenue	0	862,202	862,202	0	530,071	530,071
Net prior year campaign revenue	362,246	0	362,246	54,502	0	54,502
Total public support	362,246	862,202	1,224,448	54,502	530,071	584,573
OTHER REVENUE:-						
Interest income	0	2,847	2,847	1,666	0	1,666
Contributions	0	19,450	19,450	0	5,575	5,575
Unrealized gain on investments	112,201	0	112,201	73,994	0	73,994
Net assets released from restriction	81,446	(81,446)	0	716,714	(716,714)	0
Total other revenue	193,647	(59,149)	134,498	792,374	(711,139)	81,235
Total public support and other revenue	555,893	803,053	1,358,946	846,876	(181,068)	665,808
EXPENSES:-						
Program Expenses:-						
Agency allocation grants	715,186	0	715,186	535,826	0	535,826
Less allocations funded through donor designations	(54,968)	0	(54,968)	(129,858)	0	(129,858)
Venture grants	65,739	0	65,739	211,249	0	211,249
Total program expenses	725,957	0	725,957	617,217	0	617,217
Functional Expenses:-						
Fundraising	30,969	0	30,969	29,709	0	29,709
Program services	125,051	0	125,051	118,100	0	118,100
Management and general	61,366	0	61,366	59,424	0	59,424
Total functional expenses	217,386	0	217,386	207,233	0	207,233
United Way of America dues	13,303	0	13,303	9,979	0	9,979
Total expenses	956,646	0	956,646	834,429	0	834,429
Change in net assets	(400,753)	803,053	402,300	12,447	(181,068)	(168,621)
Net assets at beginning of year	590,460	517,330	1,107,790	578,013	698,398	1,276,411
Net assets at end of year	\$ 189,707	\$ 1,320,383	\$ 1,510,090	\$ 590,460	\$ 517,330	\$ 1,107,790

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

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020				2019			
	Fund- Raising	Program Services	Management and General	Total	Fund- Raising	Program Services	Management and General	Total
Salaries	\$ 18,451	\$ 87,725	\$ 36,901	\$ 143,077	\$ 17,491	\$ 81,856	\$ 34,983	\$ 134,330
Payroll taxes	1,432	6,916	2,863	11,211	1,499	6,515	2,999	11,013
Employee benefits	389	778	778	1,945	636	1,271	1,271	3,178
Total salaries and related benefits	<u>20,272</u>	<u>95,419</u>	<u>40,542</u>	<u>156,233</u>	<u>19,626</u>	<u>89,642</u>	<u>39,253</u>	<u>148,521</u>
Professional fees	2,040	4,080	4,080	10,200	2,005	4,010	4,010	10,025
Office supplies	329	6,977	656	7,962	352	5,963	704	7,019
Telephone	327	656	656	1,639	328	658	658	1,644
Postage and shipping	429	857	857	2,143	529	1,057	1,057	2,643
Rent	1,920	3,840	3,840	9,600	1,940	3,880	3,880	9,700
Newsletter expense	0	0	0	0	319	639	639	1,597
Youth allocation expense	33	66	66	165	74	149	149	372
Printing	660	1,321	1,321	3,302	617	1,233	1,233	3,083
Advertising	52	105	105	262	0	0	0	0
Publications and subscriptions	0	0	0	0	25	50	50	125
Travel expense	287	2,487	0	2,774	205	3,440	412	4,057
Insurance	416	834	834	2,084	443	886	886	2,215
Awards	0	0	0	0	(185)	(368)	(368)	(921)
Miscellaneous	2,366	4,733	4,733	11,832	1,585	3,170	3,170	7,925
Repairs and maintenance	1,040	2,081	2,081	5,202	749	1,498	1,498	3,745
Depreciation	798	1,595	1,595	3,988	1,097	2,193	2,193	5,483
Total	<u>\$ 30,969</u>	<u>\$ 125,051</u>	<u>\$ 61,366</u>	<u>\$ 217,386</u>	<u>\$ 29,709</u>	<u>\$ 118,100</u>	<u>\$ 59,424</u>	<u>\$ 207,233</u>

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

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Change in net assets	\$ 402,300	\$ (168,621)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation	3,988	5,483
Unrealized gain on investment	(112,201)	(73,994)
Changes in assets and liabilities		
Pledges receivable	(231,664)	320,558
Prepaid expenses	2,600	(4,355)
Allocations payable - agencies	37,884	(2,161)
Out of county donations payable	2,791	(21,616)
Accrued payroll liabilities	2,257	1,366
Net cash provided by operating activities	107,955	56,660
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Purchase of property and equipment	0	(15,970)
(Purchase) sale of certificates of deposit and investments	(235,600)	95,714
Purchase of certificates of deposit	(22,470)	(141,160)
Net cash used by investing activities	(258,070)	(61,416)
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Borrowings on long-term debt	27,652	0
Net cash provided by financing activities	27,652	0
Net change in cash and cash equivalents	(122,463)	(4,756)
Cash and cash equivalents - beginning of year	503,723	508,479
Cash and cash equivalents - end of year	\$ 381,260	\$ 503,723
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:-		
Cash paid for:		
Interest	\$ 0	\$ 0
Income taxes	\$ 0	\$ 0

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

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - United Way of Logan County, Ohio, Inc. (the Organization) is a non-profit charitable corporation governed by a volunteer board of Trustees, with the purpose of meeting the human service needs of the Logan County area through the coordination of social services, problem solving, and financial support. The Organization is supported primarily through donor contributions.

Basis of Presentation - The Organization has adopted the Accounting Standards Codification (ASC) No. 958-205-45 and ASU 2016-02, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958-205-45 and ASU 2016-02, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restriction and without donor restriction. In addition, the Organization is required to present a statement of cash flows and a statement of functional expenses:

Net Assets Without Donor Restrictions - Net assets are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that: a) restrict their use to a specific purpose which will be satisfied by actions of the Organization or the passage of time; or b) require that they be maintained in perpetuity by the Organization; generally, the donor of these assets permit the Organization to use all or part of the income earned, including capital appreciation, or related investments for purposes with or without donor restrictions.

Contributions - The Organization recognizes contributions received and contributions made in accordance with ASC No. 958-605-25, Accounting for Contributions Received and Contributions Made. Under ASC No. 958-605-25, a contribution received by the Organization is recognized when the donor makes an unconditional promise to give to the Organization. Conditional promises to give are not recognized by the Organization as contributions received until the conditions have been met. Contributions received are recorded as with or without donor restriction support depending on the existence and nature of any donor imposed restrictions. Contributions received with donor imposed restrictions that are met in the same reporting period are reported as unrestricted contributions.

Designated Contributions - The Organization recognizes donor designated contributions in accordance with ASC No. 958-605-25-24, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others. When a donor specifically designates a participating agency to receive his or her campaign contribution, the Organization excludes the designated pledge from campaign revenue. The Organization is considered an agent for the designated beneficiary and, as such, records cash or a receivable from the donor and a liability to the designated beneficiary.

Revenue Recognition Significant Accounting Policies under ASC 606 - The Organization's primary sources of revenue are contributions (pledges), which fall outside the scope of ASC 606.

Other Revenue Recognition Policies (outside of ASC 606)

- (a) Contributions (pledges) are recorded as with donor restriction or without donor restriction, depending on the existence and nature of any donor-imposed restrictions at the time an unconditional promise to give is received. It is the policy of the Organization to report contributions received that have donor-imposed restrictions as without donor restriction support when the restrictions are met within the same reporting period in which the contributions are received. All contributions are considered to be available for without donor-restricted use unless specifically restricted by the donor. Pledges for contributions are recorded as income when the signed pledge is received. These contributions are considered nonreciprocal (contribution) transactions under accounting guidance ASU 2018-08.

Pledges Receivables - Pledges are promises to give from various donors that are considered unconditional promises to give. Pledges receivable primarily consist of pledges made during annual giving campaign appeals and are presented net of the allowance for doubtful accounts. Pledges receivable are considered past due when the pledge payment period has passed.

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Allowance for Doubtful Accounts - The United Way uses the allowance method to estimate uncollectible receivables. The allowances are based on prior experience and management analysis of specific receivables and promises to give. Once the likelihood of collecting the receivable is determined to be remote, management writes off the specific account balance and relieves any related allowance. If collections are made in excess of this allowance, the funds are available to be allocated to the member agencies during the next campaign.

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents include cash on hand and on deposit and all highly liquid instruments, such as certificates of deposit, purchased with maturity of three months or less. The accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Therefore, from time to time, the Organization may have accounts in excess of insured limits.

Property and Equipment - Additions and improvements to property and equipment over \$500 and with a useful life of more than two years are recorded at cost when purchased and at fair value when donated to the Organization. Depreciation is computed using the straight-line method over their estimated useful lives, which is a range of 3 to 7 years for office equipment.

Federal Income Taxes - The Organization has been determined, by the Internal Revenue Service, as exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and, as a result, a provision for taxes is not required. The Organization records interest and penalties, if any, in interest expense and other expense, respectively, in operating expenses. During the years ended December 31, 2020 and 2019, the Organization did not have any interest or penalties related to taxes. Management believes there are no uncertain tax positions taken as of December 31, 2020 or 2019.

Use of Estimates - The financial statements of the Organization are presented in conformity with accounting principles generally accepted in the United States of America. This presentation requires the use of estimates and assumptions made by management that affect certain amounts and assumptions. Accordingly, actual results could differ from those estimates.

Donated Services - In-kind contributions of materials and property equipment are recorded as contributions at the estimated fair value on the date of receipt. Contributions of services that enhance the non-financial assets or require specialized skills, and are provided by individuals possessing those skills, are recorded as contributions at the estimated fair value of the service received. United Way makes extensive use of volunteers in conducting its campaign and various program activities. Such services are not reflected in the financial statement, as those services do not meet this definition.

Liquidity and Availability - The Organization regularly monitors the availability of resources required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash and shows positive cash flow generated by operations for years ended 2020 and 2019.

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

The following table reflects the Organization’s financial assets as of December 31, 2020 and 2019 that are available to meet cash needs for operating expenditures within one year:

	2020	2019
Cash and cash equivalents	\$ 381,260	\$ 503,723
Certificates of deposit	57,854	74,337
Investments, at fair value	804,479	392,278
Pledges receivable, net of allowance for uncollectible accounts	586,706	355,042
	\$ 1,830,299	\$ 1,325,380

Functional Allocation - The costs of providing the program and various management and general activities have been summarized on a functional basis in the statement of functional expenses. Certain categories or expenses are attributed to Fundraising, Program Services and Management and General expenses. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are allocated on the basis of estimated time and effort. Accordingly, certain estimates have been made to allocate costs among the program and supporting activities.

Advertising - The Organization expenses advertising costs as they are incurred. Advertising expense totaled \$262 and \$0 for the years ended December 31, 2020 and 2019, respectively.

Recent Accounting Pronouncements - In February 2016, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which amends existing accounting standards for lease accounting, including by requiring lessees to recognize most leases on the balance sheet and making certain changes to lessor accounting. The new standard is effective for non-public entities for fiscal years beginning after December 31, 2021 and for interim periods therein with early adoption permitted. We are currently evaluating the impact the new standard may have on the Organization’s financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which creates a single source of revenue guidance. The new standard provides accounting guidance for all revenue arising from contracts with customers and affects all entities that enter into contracts to provide goods and services to their customers (unless the contracts are in scope of other U.S. GAAP requirements, such as the leasing literature). The guidance also provides a model for the measurement and recognition of gains and losses on the sale of certain nonfinancial assets, such as property and equipment, including real estate. The new standard is effective for non-public entities for the fiscal years beginning after December 15, 2018 and for interim periods therein. The financial statements reflect the application of ASC 606 beginning in 2019. No cumulative-effect-adjustments in net assets was recorded, as the adoption of ASU 2014-09 did not significantly impact the Organization’s reported historical revenue.

On June 21, 2018, the FASB issued ASU No. 2018-08, *clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard is intended to address questions stemming from FASB ASU No. 2014-09, *Revenue from Contracts with Customers*, regarding its implications on the grants and contracts of not-for-profit Organizations. ASU 2018-08 applies to resource providers and resource recipients. It includes decision trees to assist in evaluating a transaction. The first decision for both parties to consider is whether each party directly receives commensurate value. If the transaction is reciprocal (i.e., an exchange), the recipient would follow ASU 2014-09, and the contributor would follow the guidance in Topic 720, *Other Expenses*, or other applicable topics. If the transaction is nonreciprocal (i.e., a contribution), the recipient would apply contribution guidance. This guidance was adopted by the Organization at the beginning of 2019.

NOTE 2 - CERTIFICATES OF DEPOSIT

During the year, the Organization held certificates of deposit with annual interest rates between 0.20% and 0.60%. These certificates of deposit are scheduled to mature between August 2021 and October 2021.

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 3 - FAIR VALUE MEASUREMENT

ASC 820, *Fair Value Measurement*, establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the techniques and inputs used for each major class of assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Mutual Funds: Mutual funds are valued based on quoted market prices (Level 1).

These methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth the Organization’s investment assets at fair value as of December 31, 2020 and 2019, by level, within the fair value hierarchy:

Assets at fair value as of December 31, 2020					
	Level 1	Level 2	Level 3	Total	
American Cap Fund	\$ 156,048	\$ 0	\$ 0	\$ 156,048	
Washington Mutual Investor Fund	131,040	0	0	131,040	
Fundamental Investors Fund	122,337	0	0	122,337	
Capital World Growth Fund	169,491	0	0	169,491	
Growth Fund of America	106,416	0	0	106,416	
American Balance Fund	119,148	0	0	119,148	
Total investments	\$ 804,479	\$ 0	\$ 0	\$ 804,479	

Assets at fair value as of December 31, 2019					
	Level 1	Level 2	Level 3	Total	
American Cap Fund	\$ 72,618	\$ 0	\$ 0	\$ 72,618	
Washington Mutual Investor Fund	68,800	0	0	68,800	
Fundamental Investors Fund	107,661	0	0	107,661	
Capital World Growth Fund	82,892	0	0	82,892	
American Balance Fund	60,308	0	0	60,308	
Total investments	\$ 392,278	\$ 0	\$ 0	\$ 392,278	

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

The investments are held in the Organization's name, by the Organization's agent, which is a major financial institution. The investments provide return of principal, interest, and dividends, which are currently reinvested. The investments are reported at fair market value in the statements of financial position.

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable represent amounts due from donors for multiyear unconditional pledges. Pledges receivable at December 31, 2020 and 2019 consist of the following:

	2020	2019
Gross pledges receivable	\$ 749,777	\$ 438,986
Less: Allowance for uncollectible pledges receivable	(163,071)	(83,944)
Total	\$ 586,706	\$ 355,042
Amounts due in:		
Less than one year	\$ 586,706	\$ 355,042
One to five years	0	0
Total	\$ 586,706	\$ 355,042

NOTE 5 - NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions are restricted for the following purposes or period as of December 31, 2020 and 2019, as follows:

	2020	2019
Subject to expenditure for specified purpose or period:		
Pledges	\$ 531,628	\$ 355,042
Other	788,755	162,288
Total net assets with donor restriction:	\$ 1,320,383	\$ 517,330

NOTE 6 - OPERATING LEASE

In June 2012, the Organization entered into a one-year lease for office space. Under the terms of this lease, the Organization is required to make monthly lease payments of \$800 over the life of the lease. This lease also included the option for three one-year extensions under the same terms. In May 2017, a new one-year lease was signed for the same terms, with an option for two one-year extensions available. In May 2020, a new one-year lease was signed for the same terms. Lease expense for this lease was \$9,600 and \$9,700 for the years ending December 31, 2020 and 2019.

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7 - LONG-TERM DEBT

On April 16, 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the PPP Lender), for an aggregate principal amount of approximately \$27,652 (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Organization's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. The Organization intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in November 2020 principal and interest payments will be required through the maturity date in April 2022. The terms of the PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default.

NOTE 8 - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through June 1, 2021, the date which the financial statements were available to be issued.

In March 2020, the World Health Organization declared the global novel coronavirus disease (COVID-19) outbreak a pandemic. As of the date of the financial statements were available to be issued, the Organization's operations have not been significantly impacted by the COVID-19 outbreak. However, the Organization cannot reasonably estimate at this time the specific extent, duration, or full impact that the COVID-19 pandemic will have on its financial condition and operations.