UNITED WAY OF LOGAN COUNTY, OHIO, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2022

CONTENTS

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the **United Way of Logan County Ohio, Inc.** (the Organization) (a nonprofit organization), which comprise the balance sheets as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the results of its operations and its cash flows for the year 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 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 the Organization'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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Holbrook & Manter

Certified Public Accountants

June 30, 2023
Marysville, Ohio

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

		2022
ASSETS:-		
Cash and cash equivalents	$	476,079
Certificates of deposit		42,062
Investments, at fair value		2,144,706
Pledges receivable, net of allowance for uncollectible accounts		439,492
Prepaid expenses		4,636
Right of use asset - operating lease		42,028
Property and equipment, net		3,086
Total assets	$	3,152,089

LIABILITIES AND NET ASSETS

LIABILITIES:-		
Accounts payable	$	1,361
Allocations payable - agencies		312,164
Allocations payable		13,862
Accrued payroll liabilities		3,985
Lease liabilities - operating lease		43,218
Total liabilities		374,590
NET ASSETS:-		
Without donor restrictions		83,544
With donor restrictions		2,693,955
Total net assets		2,777,499
Total liabilities and net assets	$	3,152,089

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

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022		
	Without donor restriction	**With donor restriction**	**Total**
PUBLIC SUPPORT:-			
Gross current year campaign revenue	$ 0	$ 1,596,117	$ 1,596,117
Less donor designations	0	(509,182)	(509,182)
Less provision for uncollectible pledges	0	(34,321)	(34,321)
Net current year campaign revenue	0	1,052,614	1,052,614
Net prior year campaign revenue	38,395	0	38,395
Total public support	38,395	1,052,614	1,091,009
OTHER REVENUE:-			
Interest income	0	1,450	1,450
Contributions	0	25,480	25,480
Unrealized loss on investments	(398,209)	0	(398,209)
Net assets released from restriction	509,182	(509,182)	0
Total other revenue	110,973	(482,252)	(371,279)
Total public support and other revenue	149,368	570,362	719,730
EXPENSES:-			
Program Expenses;-			
Agency allocation grants	683,789	0	683,789
Less allocations funded through donor designations	(509,182)	0	(509,182)
Venture grants	146,484	0	146,484
Total program expenses	321,091	0	321,091
Functional Expenses;-			
Fundraising	69,197	0	69,197
Program services	121,452	0	121,452
Management and general	58,513	0	58,513
Total functional expenses	249,162	0	249,162
United Way of America dues	18,376	0	18,376
Total expenses	588,629	0	588,629
Change in net assets	(439,261)	570,362	131,101
Net assets at beginning of year	522,805	2,123,593	2,646,398
Net assets at end of year	$ 83,544	$ 2,693,955	$ 2,777,499

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

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022			
	Fund-Raising	**Program Services**	**Management and General**	**Total**
Salaries	$ 44,600	$ 87,354	$ 34,767	$ 166,721
Payroll taxes	2,993	5,765	2,328	11,086
Employee benefits	0	2,283	0	2,283
Total salaries and related benefits	47,593	95,402	37,095	180,090
Professional fees	2,026	4,050	4,050	10,126
Office supplies	2,552	1,859	236	4,647
Telephone	101	200	200	501
Postage and shipping	3,926	0	0	3,926
Rent	2,181	4,364	4,364	10,909
Youth allocation expense	206	413	413	1,032
Printing	3,211	0	0	3,211
Advertising	987		0	987
Publications and subscriptions	0	0	0	0
Travel expense	334	3,009	0	3,343
Insurance	703	1,404	1,404	3,511
Miscellaneous	3,594	7,186	7,186	17,966
Repairs and maintenance	1,166	2,330	2,330	5,826
Depreciation	617	1,235	1,235	3,087
Total	$ 69,197	$ 121,452	$ 58,513	$ 249,162

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

UNITED WAY OF LOGAN COUNTY, OHIO, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

		2022
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Change in net assets	$	131,101
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation		3,087
Unrealized loss on investment		398,209
Principal payments on operating lease	(	7,920)
Operating lease amortization		10,396
Changes in assets and liabilities		
Pledges receivable		172,824
Prepaid expenses	(	3,501)
Allocations payable - agencies	(	39,100)
Out of county donations payable	(	1,842)
Accrued payroll liabilities	(	4,763)
Net cash provided by operating activities		658,491
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Purchase of certificates of deposit and investments	(	509,181)
Net cash used by investing activities	(	509,181)
Net change in cash and cash equivalents		149,310
Cash and cash equivalents - beginning of year		326,769
Cash and cash equivalents - end of year	$	476,079

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:-		
Cash paid for:		
Interest	$	0
Income taxes	$	0
SUPPLEMENTAL DISCLOSURE FOR NONCASH INVESTING AND FINANCING ACTIVITIES:-		
Assets acquired by operating lease	$	49,276

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

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 receivables are considered past due when the pledge payment period has passed.

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 year ended December 31, 2022, 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, 2022.

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 year ended 2022.

The following table reflects the Organization's financial assets as of December 31, 2022 that are available to meet cash needs for operating expenditures within one year:

		2022
Cash and cash equivalents	$	476,079
Certificates of deposit		42,062
Investments, at fair value		2,144,706
Pledges receivable, net of allowance		439,492
	$	3,102,339

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 $987 for the year ended December 31, 2022, respectively.

Leases - The Organization determines if an arrangement is a lease at inception. Right of Use (ROU) assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent the Association's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of the lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Association will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Association has elected to recognize payments for short term leases with a lease term of 12 months or less as an expense as incurred and these leases are not included as lease liabilities or right of use assets on the accompanying statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use the average borrowing rate when computing the present value of the lease liabilities.

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 15, 2021 and for interim periods therein with early adoption permitted.

The Organization adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. The Association has elected to adopt the package of practical expedients available in the year of adoption. The Association has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Association's ROU assets.

NOTE 2 - CERTIFICATES OF DEPOSIT

During 2022, the Organization held two certificates of deposit with an annual interest rates of 0.30% and 0.20%. These certificate of deposits are scheduled to mature in February 2023 and April 2023.

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, 2022.

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, 2022, by level, within the fair value hierarchy:

	Assets at fair value as of December 31, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual Funds	$ 2,144,706	$ 0	$ 0	$ 2,144,706
	2,144,706	0	0	2,144,706

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 receivables represent amounts due from donors for multiyear unconditional pledges. Pledges receivable as of December 31, 2022 consist of the following:

	2022
Gross pledges receivable	$ 670,084
Less: Allowance for uncollectible pledges receivable	(230,592)
Total	439,492
Amounts due in:	
Less than one year	439,492
Total	$ 439,492

NOTE 5 - NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions are restricted for the following purposes or period as of December 31, 2022, as follows:

	2022
Subject to expenditure for specified purpose or period:	
Pledges	$ 439,492
Contributions	1,621,597
Other	632,866
Total net assets with donor restriction:	$ 2,693,955

NOTE 6 - OPERATING LEASE

The Organization has leasing arrangements where the Organization is the lessee. These arrangements create ROU assets and liabilities. These arrangements are described below. The Organization's policy is to not record ROU assets and lease liabilities for leases with terms less than one year.

In March 2022, the Organization signed a new lease for a new office space. The lease term is 60 months with monthly payments ranging from $880 to $987.

The following table provides quantitative information concerning the Organization's operating lease for the year ended December 31, 2022:

Lease expense	**2022**
Operating lease expense	$ 9,173
Total	$ 9,173

Other Information

Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$	7,920
ROU assets obtained in exchange for new operating lease liabilities	$	49,276
Weighted-average remaining lease term in years for operating leases		5.58
Weighted-average discount rate for operating leases		5.00%

A maturity analysis of annual discounted cash flows for lease liabilities as of December 31, 2022 is as follows:

2023	$	10,790
2024		11,102
2025		11,425
2026		11,757
2027		2,896
Total undiscounted cash flows		47,970
Less: present value discount		(4,752)
Total lease liabilities	$	43,218

NOTE 7 - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through June 30, 2023, the date which the financial statements were available to be issued.