

The United Way of Greater Lima, Inc.
Lima, Ohio

Financial Statements

For the Years Ending June 30, 2022 and 2021

The United Way of Greater Lima, Inc.
Lima, Ohio

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December 21, 2022

Independent Auditor's Report

Board of Directors
The United Way of Greater Lima, Inc.

Opinion

We have audited the accompanying financial statements of The United Way of Greater Lima, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 United Way of Greater Lima, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in conformity 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 United Way of Greater Lima, Inc. 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 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.

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 United Way of Greater Lima, Inc.'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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 United Way of Greater Lima, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about The United Way of Greater Lima, Inc.'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.

The United Way of Greater Lima, Inc.

December 21, 2022

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Report of Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Allocations, Designations, and Grants are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole.

E & Evans and Company

The United Way of Greater Lima, Inc.
Lima, Ohio

Statements of Financial Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets:</u>		
Cash and Cash Equivalents	\$ 2,681,982	\$ 1,569,614
Investments - Note C	2,557,921	3,174,645
Accounts Receivable	6,250	-
Pledges Receivable - Net of Estimated Uncollectibles of \$76,096 in 2022 and \$258,373 in 2021 - Note A	355,429	356,613
Prepaid Expenses	8,173	30,716
Loans Receivable - Note D	65,983	71,983
Property and Equipment - (Net of Accumulated Depreciation) - Note A	<u>11,105</u>	<u>15,440</u>
Total Assets	<u>\$ 5,686,843</u>	<u>\$ 5,219,011</u>
<u>Liabilities and Net Assets:</u>		
Operating Payables	\$ 39,511	\$ 17,689
Payroll Withholdings and Accruals	16,742	21,873
Grants Payable	30,385	38,848
Designations Payable - Other United Ways	27,780	21,508
Designations Payable - United Way Agencies	<u>82,745</u>	<u>13,783</u>
Total Liabilities	<u>197,163</u>	<u>113,701</u>
<u>Net Assets:</u>		
Without Donor Restrictions	2,394,447	2,734,293
With Donor Restrictions - Note G	<u>3,095,233</u>	<u>2,371,017</u>
Total Net Assets	<u>5,489,680</u>	<u>5,105,310</u>
Total Liabilities and Net Assets	<u>\$ 5,686,843</u>	<u>\$ 5,219,011</u>

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

The United Way of Greater Lima, Inc.
Lima, Ohio

Statement of Activities

For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Public Support and Other Revenue:</u>			
Gross Campaign Results - 2021	\$ -	\$ 1,546,911	\$ 1,546,911
Less: Donor Designations	-	(215,011)	(215,011)
Less: Provision for Uncollectible	-	(76,096)	(76,096)
Net Campaign Revenue - 2021	-	1,255,804	1,255,804
 Gross Campaign Results - Other Campaigns	23,218	48,700	71,918
Less: Donor Designations	-	-	-
Less: Provision for Uncollectible	-	-	-
Net Campaign Revenue - Other Campaigns	23,218	48,700	71,918
 Interest Income	4,347	-	4,347
Investment Return, Net	(103,826)	-	(103,826)
Donations and Special Events	7,794	615,269	623,063
Service Fees	2,781	-	2,781
Grant Revenue	70,000	-	70,000
Other Miscellaneous Income	25,738	-	25,738
In-Kind Donated Services	1,438	-	1,438
Net Assets Released from Restrictions	1,195,557	(1,195,557)	-
Total Public Support and Other Revenue	\$ 1,227,047	\$ 724,216	\$ 1,951,263

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

The United Way of Greater Lima, Inc.
Lima, Ohio

Statement of Activities
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Expenses:</u>			
Program Services	\$ 1,186,065	\$ -	\$ 1,186,065
Supporting Services:			
Fund Raising	159,390	-	159,390
Management and General - Note N	221,438	-	221,438
Total Supporting Services	380,828	-	380,828
Total Expenses	1,566,893	-	1,566,893
Change in Net Assets	(339,846)	724,216	384,370
Net Assets at Beginning of Year	2,734,293	2,371,017	5,105,310
Net Assets at End of Year	\$ 2,394,447	\$ 3,095,233	\$ 5,489,680

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

The United Way of Greater Lima, Inc.
Lima, Ohio

Statement of Activities

For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Public Support and Other Revenue:</u>			
Gross Campaign Results - 2020	\$ -	\$ 1,432,955	\$ 1,432,955
Less: Donor Designations	-	(115,860)	(115,860)
Less: Provision for Uncollectible	-	(143,773)	(143,773)
Net Campaign Revenue - 2020	-	1,173,322	1,173,322
 Gross Campaign Results - Other Campaigns	27,378	10,000	37,378
Less: Donor Designations	(471)	-	(471)
Less: Provision for Uncollectible	-	-	-
Net Campaign Revenue - Other Campaigns	26,907	10,000	36,907
 Interest Income	69,435	-	69,435
Unrealized & Realized Gains/(Losses)	367,123	-	367,123
Service Fees	16,314	-	16,314
Grant Revenue	67,400	-	67,400
Other Miscellaneous Income	1,651	15,688	17,339
In-Kind Donated Services	1,000	-	1,000
Net Assets Released from Restrictions	1,229,127	(1,229,127)	-
Total Public Support and Other Revenue	\$ 1,778,957	\$ (30,117)	\$ 1,748,840

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

The United Way of Greater Lima, Inc.
Lima, Ohio

Statement of Activities
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Expenses:</u>			
Program Services:			
Allocations/Agency Relations	\$ 784,932	\$ -	\$ 784,932
Information and Referral	66,036	-	66,036
Community Impact/Outcomes	168,421	-	168,421
Total Program Services	1,019,389	-	1,019,389
Supporting Services:			
Fund Raising	152,258	-	152,258
Management and General	204,212	-	204,212
Total Supporting Services	356,470	-	356,470
Total Expenses	1,375,859	-	1,375,859
Change in Net Assets	403,098	(30,117)	372,981
Net Assets at Beginning of Year	2,331,195	2,401,134	4,732,329
Net Assets at End of Year	\$ 2,734,293	\$ 2,371,017	\$ 5,105,310

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

The United Way of Greater Lima, Inc.
Lima, Ohio

Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services	Fund Raising	Management and General - Note N	Total
Allocations	\$ 757,500	\$ -	\$ -	\$ 757,500
Grants and Other Awards	57,708	-	-	57,708
Total Agency Awards	815,208	-	-	815,208
Salaries	116,099	67,313	52,190	235,602
Health Benefits	14,237	8,254	6,400	28,891
Retirement	2,270	1,316	1,019	4,605
Payroll Taxes	10,769	6,244	4,840	21,853
Total Payroll Related Expenses	143,375	83,127	64,449	290,951
Grant Expenditures	-	-	19,001	19,001
Professional Fees	7,830	5,719	115,114	128,663
Other Fees and Dues	11,791	-	-	11,791
Office Supplies and Printing	2,544	848	3,391	6,783
Telephone/Internet	1,903	1,389	1,272	4,564
Postage	2,088	696	2,785	5,569
Rent	6,754	4,932	4,514	16,200
Local Transportation	1,714	-	-	1,714
Training, Meetings, and Events	30,486	-	-	30,486
Campaign Expenses	-	53,011	-	53,011
Equipment Rental/Maintenance	6,682	4,880	4,468	16,030
Insurance	3,284	2,398	2,195	7,877
National Dues	29,834	-	-	29,834
Community Support	721	-	-	721
Advertising	-	1,070	-	1,070
Depreciation	1,807	1,320	1,208	4,335
211 First Call for Help	120,044	-	-	120,044
Miscellaneous	-	-	3,041	3,041
Total Functional Expenses	\$ 1,186,065	\$ 159,390	\$ 221,438	\$ 1,566,893

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

The United Way of Greater Lima, Inc.
Lima, Ohio

Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services			Total
	Allocations/ Agency Relations	Information and Referral	Community Impact/ Outcomes	Program Expenses
Allocations	\$ 696,425	\$ -	\$ -	\$ 696,425
Grants and Other Awards	-	-	45,540	45,540
Total Agency Awards	696,425	-	45,540	741,965
Salaries	45,076	14,771	68,656	128,503
Health Benefits	8,592	2,815	13,086	24,493
Retirement	1,200	393	1,828	3,421
Payroll Taxes	3,607	1,182	5,495	10,284
Total Payroll Related Expenses	58,475	19,161	89,065	166,701
Grant Expenditures	-	-	-	-
Professional Fees	1,667	1,264	2,377	5,308
Other Fees and Dues	5,954	5,954	5,953	17,861
Office Supplies and Printing	1,641	1,641	1,641	4,923
Telephone/Internet	606	384	853	1,843
Postage	1,074	1,074	1,074	3,222
Rent	3,635	2,306	5,119	11,060
Local Transportation	60	61	61	182
Training, Meetings, and Events	3,421	3,421	3,421	10,263
Campaign Expenses	-	-	-	-
Equipment Rental/Maintenance	1,707	1,083	2,405	5,195
Insurance	881	559	1,240	2,680
National Dues	7,886	7,886	7,887	23,659
Community Support	798	797	797	2,392
Advertising	-	-	-	-
Depreciation	702	445	988	2,135
211 First Call for Help	-	20,000	-	20,000
Miscellaneous	-	-	-	-
Total Functional Expenses	\$ 784,932	\$ 66,036	\$ 168,421	\$ 1,019,389

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

<u>Fund Raising</u>	<u>Management and General - Note N</u>	<u>Total</u>
\$ -	\$ -	\$ 696,425
-	-	45,540
-	-	741,965
67,248	51,757	247,508
12,817	9,865	47,175
1,792	1,378	6,591
5,381	4,142	19,807
<u>87,238</u>	<u>67,142</u>	<u>321,081</u>
-	-	-
6,706	102,743	114,757
-	-	17,861
1,641	6,564	13,128
1,345	1,232	4,420
1,074	4,295	8,591
8,077	7,395	26,532
-	-	182
-	-	10,263
36,911	-	36,911
3,794	3,473	12,462
1,957	1,792	6,429
-	-	23,659
-	-	2,392
1,955	-	1,955
1,560	1,428	5,123
-	-	20,000
-	8,148	8,148
<u>\$ 152,258</u>	<u>\$ 204,212</u>	<u>\$ 1,375,859</u>

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

The United Way of Greater Lima, Inc.
Lima, Ohio

Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Cash Flows from Operating Activities:</u>		
Change in Net Assets	\$ 384,370	\$ 372,981
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized & Unrealized (Gain)/Loss on Investments	103,826	(367,123)
Depreciation	4,335	5,123
SBA/PPP Loan Forgiveness	-	(67,400)
(Increase)/Decrease in:		
Accounts Receivable	(6,250)	-
Pledges Receivable	1,184	40,231
Prepaid Expenses	22,543	(13,534)
Loans Receivable	6,000	6,000
Increase/(Decrease) in:		
Operating Payables	21,822	10,499
Payroll Withholdings and Accruals	(5,131)	(5,369)
Grants Payable	(8,463)	(43,717)
Designations Payable - Other United Ways	6,272	(4,369)
Designations Payable - United Way Agencies	68,962	(55,767)
Total Adjustments	<u>215,100</u>	<u>(495,426)</u>
Net Cash Provided/(Used) by Operating Activities	<u>599,470</u>	<u>(122,445)</u>
<u>Cash Flows from Investing Activities:</u>		
Capital Expenditures	-	(2,659)
Purchase of Investments	(150,428)	(451,591)
Proceeds from Sale of Investments	663,326	546,824
Net Cash Provided/(Used) by Investing Activities	<u>512,898</u>	<u>92,574</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	1,112,368	(29,871)
Cash and Cash Equivalents at Beginning of Year	<u>1,569,614</u>	<u>1,599,485</u>
Cash and Cash Equivalents at End of Year	\$ <u>2,681,982</u>	\$ <u>1,569,614</u>

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

The United Way of Greater Lima, Inc.
Lima, Ohio

Notes to Financial Statements
June 30, 2022 and 2021

Note A – Summary of Significant Accounting Policies

Purpose of Organization

The purpose of The United Way of Greater Lima, Inc. is to mobilize and stimulate the interest and participation of the citizens of Greater Lima on behalf of worthy charitable, health, welfare, or allied purpose organizations. The United Way of Greater Lima, Inc. also solicits and receives contributions for its member agencies, then allocates and distributes these funds, thus reducing the expense of multiple fund-raising efforts and combining manpower.

Program Services

The United Way of Greater Lima, Inc. offers funding for community services and programs in the areas of: information and referral, education, and basic needs and financial stability. The United Way serves as the gateway to social services through 211. The United Way connects individuals and families to social services 24 hours a day, every day of the year, providing information and service navigation to help people find and understand their options to access community resources. The United Way funds program initiatives to ensure the community gets the education needed from preschool through high school and adult literacy. The United Way also funds programs that provide support to families and individuals struggling to meet their basic needs.

Basis of Accounting

The United Way of Greater Lima, Inc. prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The United Way of Greater Lima, Inc.
Lima, Ohio

Notes to Financial Statements
June 30, 2022 and 2021

Note A – Summary of Significant Accounting Policies – (continued)

Financial Statement Presentation

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions - Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions. At June 30, 2022 and 2021, the Organization had net assets with donor restrictions of \$3,095,233 and \$2,371,017, respectively

Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. See Note J for additional information.

Property and Equipment

Property and equipment are stated at cost if purchased and at fair value if donated. The Organization capitalizes all major purchases made by The United Way of Greater Lima, Inc. Depreciation is computed using the straight-line method over the estimated useful lives of the capitalized assets. Total property and equipment costs are as follows:

	June 30,	
	2022	2021
Property and Equipment	\$ 43,362	\$ 43,362
Less: Accumulated Depreciation	(32,257)	(27,922)
Net Property and Equipment	\$ 11,105	\$ 15,440

Depreciation expense for years ending June 30, 2022 and 2021 was \$4,335 and \$5,123, respectively.

The United Way of Greater Lima, Inc.
Lima, Ohio

Notes to Financial Statements
June 30, 2022 and 2021

Note A – Summary of Significant Accounting Policies – (continued)

Pledges Receivable

The United Way of Greater Lima, Inc. has an annual campaign conducted in the fall of each year with payment of pledges normally occurring in the succeeding year. Pledges designated by the contributor to be remitted to other United Ways or to specific United Way member agencies are reflected as liabilities at the time the pledge is recorded. A fundraising and administration fee based on a three-year average of such costs is deducted from all designated gifts. The pledges, net of the administrative fee, are forwarded monthly or quarterly to the agency as they are received.

Allowance for Uncollectible Pledges

Provision for uncollectible pledges is historically computed based upon a three-year historical average applied to gross campaign, including donor designations. However, Board review of current economic conditions could cause an adjustment to this allowance. The uncollectible percentage to be used for the 2021 Campaign was set at 5%. The uncollectible percentage to be used for the 2020 Campaign was set at 10%.

Revenue Recognition

Unconditional promises to give are recognized as net assets with donor restrictions in the period received. These revenues are then recognized as net assets without donor restrictions in the year they are allocated to member agencies. See the following note on allocations.

Allocations, Designations, and Grants

Allocations to member agencies are generally determined and paid in the succeeding year. The United Way is transitioning allocation payments from a calendar year payment schedule to a fiscal year payment schedule. Allocations declared during the year ending June 30, 2022 were the result of the campaign held in the fall of 2020. The total of these allocations was \$757,500. Allocations declared during the year ending June 30, 2021 were the result of the campaign held in the fall of 2019. The total of these allocations was \$696,425. The approved amount includes all pledges received from the campaign through the allocation date, as recommended by a volunteer committee of community citizens.

In addition, designations are paid as received and not subject to change or review by that committee. The donor designations paid during the years ending June 30, 2022 and 2021 were \$49,995 and \$50,459, respectively.

Beginning in 2017, the Organization began awarding grants to agencies on a discretionary basis as determined by the Board. The grant period runs from July to June, with funds being paid at the beginning of the period and after a progress update in the middle of the period. Grants awarded in the years ending June 30, 2022 and 2021 totaled \$57,708 and \$45,540, respectively.

The United Way of Greater Lima, Inc.
Lima, Ohio

Notes to Financial Statements
June 30, 2022 and 2021

Note A – Summary of Significant Accounting Policies – (continued)

Cash and Cash Equivalents

For the purposes of the statements of cash flows, The United Way considers all unrestricted highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current reporting period are recorded as prepaid items.

Note B – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of June 30, 2022 and 2021 are:

	June 30,	
	2022	2021
Cash	\$ 2,144,670	\$ 1,569,614
Certificates of Deposit	-	389,811
Pledges Receivable (net)	355,429	356,613
	<u>\$ 2,500,099</u>	<u>\$ 2,316,038</u>

There are no donor-imposed or contractual restrictions on the above-mentioned assets. Pledges receivable are subject to implied time restrictions, but are expected to be collected within the year.

In an effort to maximize the return on investments while maintaining liquidity, the Organization invests cash in excess of daily requirements in liquid investments including certificates of deposit (Note C).

Note C – Fair Values of Financial Instruments

The following methods and assumptions are used by The United Way of Greater Lima, Inc. in estimating the fair value of its financial instruments:

Cash and Cash Equivalents

The carrying amount reported in the Statement of Financial Position for cash and cash equivalents approximates fair value.

The United Way of Greater Lima, Inc.
Lima, Ohio

Notes to Financial Statements
June 30, 2022 and 2021

Note C – Fair Values of Financial Instruments – (continued)

Investments

Accounting principles generally accepted in the United States of America establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standards describe three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other 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.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Fair value of assets measured on a recurring basis at June 30, 2022 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Notes/Bonds/CDs	\$ 871,354	\$ 871,354	\$ -	\$ -
Equity Securities	1,686,567	1,686,567	-	-
Total	<u>\$ 2,557,921</u>	<u>\$ 2,557,921</u>	<u>\$ -</u>	<u>\$ -</u>

Fair value of assets measured on a recurring basis at June 30, 2021 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Notes/Bonds/CDs	\$ 1,408,207	\$ 1,408,207	\$ -	\$ -
Equity Securities	1,766,438	1,766,438	-	-
Total	<u>\$ 3,174,645</u>	<u>\$ 3,174,645</u>	<u>\$ -</u>	<u>\$ -</u>

The United Way of Greater Lima, Inc.
Lima, Ohio

Notes to Financial Statements
June 30, 2022 and 2021

Note D – Loans Receivable

The loans receivable from Pangle Community Service Corporation represents the principal balance. These receivables were from a related party at the time of the transactions, and are considered interest free loans. Due to the related party nature of these loans, it was not deemed practical to apply the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification 825 (formerly Statement of Financial Accounting Standards No. 107, Disclosures about Fair Value of Financial Instruments) regarding these loans.

In 2013, Pangle borrowed \$114,894 for a new HVAC System for the building. In 2015, Pangle Community Service Corporation borrowed an additional \$45,000 to cover expenses related to the flood that occurred in June 2015. The total outstanding balance of these interest free loans at June 30, 2022 and 2021 was \$65,983 and \$71,983, respectively.

Note E – Endowment Fund

In 1991, an Endowment Fund was established with funds obtained through pledges from individuals in the community. These funds are to remain intact and invested with such investments subject to restrictions detailed in an investment policy approved by the Board. In addition, 20% of investment earnings are to be added to the principal on an annual basis, with the remaining income allocated to member agencies for special projects or programs, to be determined by the Board. The endowment fund balance at June 30, 2022 and 2021 is \$3,475,103 and \$3,035,647, respectively. The endowment funds consist of both net assets with donor restrictions and net assets without donor restrictions. The balance of net assets with donor restrictions in the endowment fund at June 30, 2022 and 2021 was \$1,727,217 and \$1,135,953, respectively with \$1,747,886 and \$1,899,694 being without donor restrictions at June 30, 2022 and 2021, respectively.

	<u>For the Year Ending June 30, 2022</u>		
	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Beginning Balance	\$ 1,899,694	\$ 1,135,953	\$ 3,035,647
Contributions	-	591,264	591,264
Investment Income (Net)	(101,870)	-	(101,870)
Amounts Expended	(49,938)	-	(49,938)
Ending Balance	<u>\$ 1,747,886</u>	<u>\$ 1,727,217</u>	<u>\$ 3,475,103</u>

The United Way of Greater Lima, Inc.
Lima, Ohio

Notes to Financial Statements
June 30, 2022 and 2021

Note E – Endowment Fund – (continued)

	For the Year Ending June 30, 2021		
	Without Donor Restriction	With Donor Restriction	Total
Beginning Balance	\$ 1,545,174	\$ 1,135,688	\$ 2,680,862
Contributions	-	265	265
Investment Income (Net)	421,060	-	421,060
Amounts Expended	(66,540)	-	(66,540)
Ending Balance	<u>\$ 1,899,694</u>	<u>\$ 1,135,953</u>	<u>\$ 3,035,647</u>

Note F – Pension Plan

The pension plan is an I.R.C. Section 403(b). The United Way of Greater Lima, Inc. funds 3% of eligible employees' salaries to the plan. Employees may also contribute to this plan. Pension expense for the years ending June 30, 2022 and 2021 was \$4,605 and \$6,591, respectively. This plan is administered by Mutual of America.

Note G – Restrictions of Net Assets

Net assets with donor restrictions for The United Way are comprised of: contributions to the Endowment fund (as described in Note E), various grant funds that are to be restricted until the terms of the grant have been met, and Public Support contributions for the fall campaign that are considered to be with donor restrictions until the money is received and allocated in the following year.

	June 30,	
	2022	2021
Endowment	\$ 1,727,217	\$ 1,135,953
Grants	63,512	51,742
Campaign Public Support	1,304,504	1,183,322
Total Net Assets with Donor Restrictions	<u>\$ 3,095,233</u>	<u>\$ 2,371,017</u>

Note H – Donated Services

For years ending June 30, 2022 and 2021, in-kind revenues have been recorded for financial statement purposes of \$1,438 and \$1,000, respectively, which represent the value of advertising services received. No other amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time in the United Way's fundraising campaigns.

The United Way of Greater Lima, Inc.
Lima, Ohio

Notes to Financial Statements
June 30, 2022 and 2021

Note I – Lease Commitments

The United Way of Greater Lima, Inc. leases office space from Pangle Community Service Corporation. The previous lease was in place through December 31, 2019 at an annual rate of \$26,532. The United Way leased the space on a month-to-month basis at a rate of \$2,211 per month through February 2021, at which time the Organization began leasing a smaller space at a new rate of \$1,333 per month. The Organization signed a new agreement with Pangle effective September 1, 2022 to lease the space at a rate of \$1,333 per month for a period of 60 months.

The United Way leases two printer/copier machines from Perry ProTech. In July 2020, the current lease agreement was signed at a monthly rate of \$679 for 60 months. The United Way also leases one fax machine from Perry ProTech. The current lease agreement was signed in February 2021 at a monthly rate of \$27 for 53 months.

The future minimum lease payments as of June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 21,805
2024	24,472
2025	24,472
2026	16,000
2027	16,000
2028	<u>2,667</u>
Total	\$ <u>105,416</u>

Lease payments made during the years ended June 30, 2022 and 2021 totaled \$26,204 and \$36,687, respectively.

Note J – Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the functions benefitted using a reasonable allocation method that is consistently applied as follows:

Salaries and Related Expenses

Salaries, health benefits, retirement, and payroll taxes are allocated based on the responsibilities of each employee.

The United Way of Greater Lima, Inc.
Lima, Ohio

Notes to Financial Statements
June 30, 2022 and 2021

Note J – Expense Recognition and Allocation – (continued)

Rent, Telephone/Internet, Equipment Rental/Maintenance, Insurance, Technology Fees, and Depreciation

Rent, telephone/internet, equipment rental/maintenance, insurance, technology fees (included in professional fees) and depreciation are allocated based on square footage of each employee's office space. The costs associated with that employee are then allocated based on the responsibilities of that employee.

Office Supplies and Printing, Fees and Dues, Local Transportation, Training, Meetings, and Events, Community Support, Campaign, Advertising, and Other Expenses

Postage and office supplies and printing are allocated 37.5% to program services, 12.5% to fundraising, and 50% to management and general.

Fees and dues, national dues, local transportation, trainings, meetings, and events, and community support are allocated equally among the three program services. Campaign and advertising expenses are allocated entirely to fundraising. Accounting and audit fees and director's and officer's liability insurance are allocated entirely to management and general.

Every three years, or more often if program, personnel, or facility requirements change, the bases on which costs are allocated are evaluated. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization. Fundraising expenditures and advertising costs are expensed as incurred.

Note K – Income Taxes

The Internal Revenue Service has determined that The United Way of Greater Lima, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, though it will be subject to tax on income unrelated to its exempt purpose (unless that income is otherwise excluded by the Internal Revenue Code). Contributions to the Organization are tax deductible to the donors under Section 170 of the Internal Revenue Code. The Organization is not classified as a private foundation.

The Organization files a Federal Income Tax Return – Form 990 – Return of Organization Exempt from Income Tax and also annually files with the State of Ohio Attorney General under the Ohio Charitable Law section. The Organization's U.S. federal income tax returns for the years ended June 30, 2019 and prior are closed and are no longer subject to examination.

The United Way of Greater Lima, Inc.
Lima, Ohio

Notes to Financial Statements
June 30, 2022 and 2021

Note L – Commitments and Contingencies

The Organization is subject to other various claims, legal proceedings, and investigations covering a wide range of matters that arise in the ordinary course of business. In the opinion of management, all other such matters are adequately covered by insurance or by accruals and if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a significant effect on the financial position or results of operations of the Organization, if disposed of unfavorably.

Note M – Concentration of Credit Risks

The United Way of Greater Lima, Inc. solicits funds for member agencies from individuals and businesses in and around the Lima area. Credit risks from pledges receivable are limited due to the large number of contributors and their dispersion across different business segments in the community.

Financial instruments that potentially subject the Organization to credit risk include cash on deposit with a financial institution exceeding the \$250,000 ceiling insured by U.S. Federal Deposit Insurance Corporation or National Credit Union Share Insurance Fund at June 30, 2022 and 2021. The Organization had deposits exceeding the insured amount by \$240,279 and \$235,915 at June 30, 2022 and 2021, respectively. The financial institutions holding these deposits have a strong credit rating and management believes that the credit risk related to these deposits is minimal.

Note N – Prueter Fund Earnings

Per the Endowment Investment Policy, upon board approval, a portion of the income earned on the Prueter Endowment Fund can be used each year to offset the management costs of the Organization. The policy states that up to 80% of the income earned on the fund can be used by the Organization, while the remaining 20% of income must be reinvested. Funds used by the Organization for this purpose during the years ending June 30, 2022 and 2021 totaled \$22,730 and \$30,000, respectively.

The United Way of Greater Lima, Inc.
Lima, Ohio

Notes to Financial Statements
June 30, 2022 and 2021

Note O – Paycheck Protection Program Loan

On April 13, 2020, The United Way of Greater Lima, Inc. received loan proceeds in the amount of \$67,400 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period.

The United Way of Greater Lima, Inc. recognized Grant revenue for the forgiven amount upon being legally released from the loan obligation. United Way applied for and was granted forgiveness for the full loan amount of \$67,400 on December 3, 2020.

Note P – COVID-19 Pandemic

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on The United Way of Greater Lima, Inc.’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization’s clients, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization’s financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Note Q – Subsequent Events

Subsequent events have been evaluated through December 21, 2022, which is the date the financial statements were available to be issued. Nothing material was noted to be disclosed.

The United Way of Greater Lima, Inc.
Lima, Ohio

Schedule of Allocations, Designations, and Grants
For the Year Ended June 30, 2022

	<u>Allocations</u>	<u>Designations</u>	<u>Grants</u>	<u>Total</u>
<u>Partner Agencies:</u>				
Allen County Council on Aging	\$ 23,000	\$ 1,317	\$ -	\$ 24,317
American Red Cross of West Central Ohio	22,400	278	-	22,678
Big Brothers Big Sisters of West Central Ohio	36,000	2,385	-	38,385
Black Swamp Area Council, Boy Scouts of America	20,500	1,073	-	21,573
Blanchard Valley Health Systems	2,500	143	-	2,643
Bluffton Community Emergency	25	-	-	25
Bluffton Community Preschool	2,750	-	-	2,750
Bluffton Child Development	5,275	24	-	5,299
Bluffton Family Recreation	5,250	124	-	5,374
Bluffton Senior Citizens	600	50	-	650
Bluffton Weekday Christian Education	2,700	75	-	2,775
Bradfield Community Center	37,800	3,014	-	40,814
Children's Developmental Center of Lima	63,000	6,644	-	69,644
Coleman Professional Services	5,000	5	-	5,005
Cornerstone of Hope	10,000	539	-	10,539
Crime Victim Services	78,000	2,332	10,000	90,332
Crossroads Crisis Center	45,000	1,223	-	46,223
Delphos Senior Citizens Center	-	699	-	699
Girl Scouts of Western Ohio	26,500	141	-	26,641
Goodwill Easterseals MV	23,100	32	-	23,132
Lima UMADAOP	17,600	-	-	17,600
Mary Alice House	20,000	-	-	20,000
Northwest Ohio Literacy Council	-	531	-	531
Our Daily Bread	25,000	567	-	25,567
Prevention Awareness Support Services	10,000	-	-	10,000
PSA III Alzheimers	20,000	8,546	-	28,546
Salvation Army	10,000	1,425	-	11,425
Senior Citizens Services	10,000	1,004	-	11,004
Soldiers of Honor	10,000	24	-	10,024
The ARC of Allen County	79,000	1,448	-	80,448
West Ohio Food Bank	35,000	11,475	-	46,475
West Ohio Community Action Partnership	40,000	629	-	40,629
Young Men's Christian Association (YMCA Lima)	35,000	1,399	-	36,399
Youth for Christ	13,500	354	-	13,854
YWCA of NW Ohio Child Care Resource & Referral	23,000	35	-	23,035
<u>Other Agencies:</u>				
Activate Allen County	-	253	5,000	5,253
Auglaize County Crisis Center	-	1	-	1
Bittersweet Farms	-	200	-	200
Celina Combined Services Appeal	-	774	-	774
Family Promise of Allen County	-	560	-	560
Guardianship Services Board	-	-	15,000	15,000
Samaritan House	-	651	-	651
Veteran's Freedom Flag Monument	-	21	-	21
Totals	\$ 757,500	\$ 49,995	\$ 30,000	\$ 837,495

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

Schedule #1

The United Way of Greater Lima, Inc.
Lima, Ohio

Schedule of Allocations, Designations, and Grants
For the Year Ended June 30, 2021

	<u>Allocations</u>	<u>Designations</u>	<u>Grants</u>	<u>Total</u>
<u>Partner Agencies:</u>				
Allen County Council on Aging	\$ 23,000	\$ 1,922	\$ -	\$ 24,922
American Red Cross of West Central Ohio	20,000	1,203	-	21,203
Big Brothers Big Sisters of West Central Ohio	38,425	2,655	-	41,080
Black Swamp Area Council, Boy Scouts of America	19,000	3,043	-	22,043
Bradfield Community Center	37,800	5,095	-	42,895
Children's Developmental Center of Lima	63,000	6,305	-	69,305
Coleman Professional Services	5,000	232	-	5,232
Cornerstone of Hope	10,000	25	-	10,025
Crime Victim Services	78,000	4,124	10,000	92,124
Crossroads Crisis Center	45,000	3,869	-	48,869
Delphos Senior Citizens Center	-	737	-	737
Girl Scouts of Western Ohio	26,000	393	-	26,393
Goodwill Easterseals MV	23,100	-	-	23,100
Lima UMADAOP	17,600	949	-	18,549
Mary Alice House	20,000	25	-	20,025
Northwest Ohio Literacy Council	-	106	-	106
Our Daily Bread	25,000	50	-	25,050
Prevention Awareness Support Services	10,000	-	-	10,000
PSA III Alzheimers	20,000	1,206	-	21,206
Salvation Army	10,000	3,363	-	13,363
Senior Citizens Services	10,000	755	-	10,755
Soldiers of Honor	10,000	-	-	10,000
The ARC of Allen County	79,000	1,886	-	80,886
West Ohio Food Bank	35,000	5,121	-	40,121
West Ohio Community Action Partnership	-	371	-	371
Young Men's Christian Association (YMCA Lima)	35,000	3,238	-	38,238
Youth for Christ	13,500	49	-	13,549
YWCA of NW Ohio Child Care Resource & Referral	23,000	10	-	23,010
<u>Other Agencies:</u>				
Activate Allen County	-	610	5,000	5,610
Bittersweet Farms	-	985	-	985
Bluffton Senior Citizens	-	95	-	95
Celina Combined Services Appeal	-	345	-	345
Civic Center Foundation	-	293	-	293
Family Promise of Allen County	-	48	-	48
Guardianship Services Board	-	-	15,000	15,000
Habitat for Humanity	-	226	-	226
Lima Junior Service League	-	100	-	100
Samaritan House	-	780	-	780
Veteran's Freedom Flag Monument	-	245	-	245
Totals	\$ 696,425	\$ 50,459	\$ 30,000	\$ 776,884

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

Schedule #1

The United Way of Greater Lima, Inc.
Lima, Ohio

Note to Schedules of Allocations, Designations, and Grants
For the Years Ended June 30, 2022 and 2021

Note A – Grants

Endowment earnings are discretionarily added to a grant fund to be awarded to agencies and organizations for specific needs. Grants are generally split into two payments, and recipient programs are expected to meet goals as set forth at the time of the award to receive the second payment. As some programs fall short of the requirements set for remaining grant payments or program needs change, actual payments made can differ from the grant amounts originally awarded and expensed for the year. Additionally, the earnings added to the grant fund may differ from the total grants awarded for the year.



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December 21, 2022

Board of Directors
The United Way of Greater Lima, Inc.
Lima, Ohio

We have audited the financial statements of The United Way of Greater Lima, Inc. for years ended June 30, 2022 and 2021, and have issued our report thereon dated December 21, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 28, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The United Way of Greater Lima, Inc. are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during either period. We noted no transactions entered into by the Organization during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of uncollectible receivables is based on the Organization's prior historical data. We evaluated the key factors and assumptions used to develop the uncollectible values in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has agreed to and will post all such misstatements. A copy of the adjustments is attached for your reference.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 21, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, the only firm United Way of Greater Lima, Inc. has consulted with is Rea & Associates, which we are aware performs the accounting functions for the Organization.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and Management of The United Way of Greater Lima, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

E & Evans and Company

United Way of Greater Lima, Inc.
6/30/2022

Adjusting Entries

1	300-01	General Fund	800.00	
	310-13	Ford UAW Ramp Restricted		800.00
		To reverse client adjustment at 7/1/2021 - misposting		
2	402-07	Reimb Jefferson Award Expense	1,664.85	
	310-01	Jefferson Awards		1,664.85
		To reverse entry - client posted on 7/1/21, but should have been 6/30/21		
3	122-02	Misc A/R	6,250.00	
	400-31	Partner Agency Income		6,250.00
		To record 4Q service fee from Auglaize County - ended 6/30/2022		
4	750-00	Innovative Grants	27,208.00	
	320-06	Endowment Interest		27,208.00
		To properly reflect expense of Innovative and Community Impact Grants		
5	590-01	Bank Service Charge	31.00	
	300-01	General Fund		31.00
		To move expense posted to prior-year after prior-year audit complete		
6	121-00	Less 2021 Donor Designations	25,000.00	
	225-10	2021 Design Payable - Partners		25,000.00
		To adjust 2021 donor designations to Salesforce data		
7	510-10	Professional Fees - Other	3,765.00	
	533-00	Campaign Expenses	9,751.00	
	402-07	Reimb Jefferson Award Expe	1,105.00	
	570-00	Dues	22.00	
	571-05	UWW Dues	13,156.69	
	230-09	Misc Accounts Payable		27,799.69
		To book unrecorded payables at year-end		
			<u>88,753.54</u>	<u>88,753.54</u>