

- **Consolidated Financial Statements**
- with Supplementary Information in Accordance
- with Governmental Auditing Standards,
- the Uniform Guidance and Other Matters

- **United Way of**
- **Central Ohio, Inc. and**
- **Subsidiary**

- March 31, 2021 and 2020



# CONTENTS

	Page
<b>Independent Auditor’s Report</b>	<b>3</b>
<b>Consolidated Financial Statements:</b>	
<b>Statements of Financial Position</b>	<b>5</b>
<b>Statements of Activities and Changes in Net Assets</b>	<b>6</b>
<b>Statements of Functional Expenses</b>	<b>8</b>
<b>Statements of Cash Flows</b>	<b>10</b>
<b>Notes to Consolidated Financial Statements</b>	<b>11</b>
<b>Supplementary Information</b>	
<b>Independent Auditor’s Report on Supplementary Information</b>	<b>30</b>
<b>Consolidating Balance Sheets</b>	<b>31</b>
<b>Schedule of Expenditures of Federal Awards</b>	<b>32</b>
<b>Notes to Schedule of Expenditures of Federal Awards</b>	<b>33</b>
<b>Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Consolidated Financial Statements Performed in Accordance With <i>Government Auditing Standards</i></b>	<b>34</b>
<b>Independent Auditor’s Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance</b>	<b>36</b>
<b>Schedule of Findings and Questioned Costs</b>	<b>38</b>



To the Board of Trustees  
United Way of Central Ohio, Inc.  
Columbus, Ohio

## **Independent Auditor's Report**

We have audited the accompanying consolidated financial statements of United Way of Central Ohio, Inc. and Subsidiary (United Way), which comprise the consolidated statements of financial position as of March 31, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Way as of March 31, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial consolidated statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 28, 2021 on our consideration of United Way's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on United Way's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way's internal control over financial reporting and compliance.

*GBQ Partners LLC*

Columbus, Ohio  
June 28, 2021

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Consolidated Statements of Financial Position

### March 31, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
<b>Assets</b>		
Cash and cash equivalents	\$ 11,771,406	\$ 7,449,158
Contributions receivable, net	13,425,337	16,083,234
Short-term investments	2,898,899	3,505,727
Other assets	1,082,455	1,041,253
Beneficial interest in assets held by foundation	1,438,405	1,065,836
Property and equipment, net	1,017,194	1,156,455
<b>TOTAL ASSETS</b>	<b>\$ 31,633,696</b>	<b>\$ 30,301,663</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and other miscellaneous liabilities	\$ 662,042	\$ 104,773
Grants payable for initiative programs	831,617	838,881
Funded agency allocations payable	275,054	2,334,505
Donor designations payable to agencies	4,945,636	6,418,422
Accrued payroll and related liabilities	256,057	299,758
Capital lease obligations	51,878	96,252
Funds held for others	831,028	766,872
Notes payable	1,022,756	-
Total liabilities	8,876,068	10,859,463
<b>Net Assets</b>		
Without donor restrictions	22,757,628	19,146,932
With donor restrictions	-	295,268
Total net assets	22,757,628	19,442,200
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 31,633,696</b>	<b>\$ 30,301,663</b>

*The accompanying notes are an integral part of the consolidated financial statements.*

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Consolidated Statements of Activities and Changes in Net Assets

### For the Year Ended March 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Campaign revenues:			
Campaign contributions, current period	\$ 13,757,829	\$ 7,747,899	\$ 21,505,728
Grants for initiatives received through the campaign	500,000	3,846,178	4,346,178
Other campaign contributions	640,486	-	640,486
	<u>14,898,315</u>	<u>11,594,077</u>	<u>26,492,392</u>
Campaign resources raised in the current year - gross			
Less: donor designations, funded agencies and initiatives	-	( 1,795,602)	( 1,795,602)
Less: donor designations, other agencies	-	( 6,589,797)	( 6,589,797)
Less: estimated uncollectible pledges	( 841,994)	-	( 841,994)
Campaign revenues - net	<u>14,056,321</u>	<u>3,208,678</u>	<u>17,264,999</u>
Other revenues:			
Special initiative program funding	-	203,843	203,843
Contributions from other United Ways	50,885	-	50,885
Interest and investment gain	485,340	-	485,340
Donor designation processing fee	723,623	-	723,623
Sponsorships and other	781,226	-	781,226
Total other revenues	<u>2,041,074</u>	<u>203,843</u>	<u>2,244,917</u>
Total revenues before releases from restriction	16,097,395	3,412,521	19,509,916
Net assets released from restriction	3,707,789	( 3,707,789)	-
Total revenues	19,805,184	( 295,268)	19,509,916
<b>Expenses</b>			
Grants and allocations	16,710,241	-	16,710,241
Less: allocations funded through designations	( 8,417,739)	-	( 8,417,739)
Net grants and allocations	8,292,502	-	8,292,502
Support services:			
Management and general	2,059,206	-	2,059,206
Resource development and fundraising	2,441,059	-	2,441,059
Program services:			
Community impact	1,295,983	-	1,295,983
Community services	97,425	-	97,425
Initiative program services	3,804,970	-	3,804,970
Total functional expenses	<u>9,698,643</u>	<u>-</u>	<u>9,698,643</u>
Total expenses	17,991,145	-	17,991,145
<b>Gain on Forgiveness of PPP Loan</b>	981,200	-	981,200
<b>Inherent Contribution from United Way of Union County</b>	815,457	-	815,457
<b>Change in Net Assets</b>	3,610,696	( 295,268)	3,315,428
<b>Net Assets - Beginning of Year</b>	<u>19,146,932</u>	<u>295,268</u>	<u>19,442,200</u>
<b>Net Assets - End of Year</b>	<u>\$ 22,757,628</u>	<u>\$ -</u>	<u>\$ 22,757,628</u>

*The accompanying notes are an integral part of the consolidated financial statements.*

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Consolidated Statements of Activities and Changes in Net Assets For the Year Ended March 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Campaign revenues:			
Campaign contributions, current period	\$ 15,209,753	\$ 9,869,061	\$ 25,078,814
Grants for initiatives received through the campaign	-	1,881,498	1,881,498
Other campaign contributions	135,570	-	135,570
Campaign resources raised in the current year - gross	15,345,323	11,750,559	27,095,882
Less: donor designations, affiliated agencies and initiatives	-	( 2,561,226)	( 2,561,226)
Less: donor designations, other agencies	-	( 7,183,656)	( 7,183,656)
Less: estimated uncollectible pledges	( 1,055,592)	( 124,179)	( 1,179,771)
Campaign revenues - net	14,289,731	1,881,498	16,171,229
Other revenues:			
Special initiative program funding	-	129,422	129,422
Contributions from other United Ways	90,546	-	90,546
Interest and investment gain	271,403	-	271,403
Donor designation processing fee	956,538	-	956,538
Sponsorships and other	1,509,694	-	1,509,694
Total other revenues	2,828,181	129,422	2,957,603
Total revenues before releases from restriction	17,117,912	2,010,920	19,128,832
Net assets released from restriction	2,306,107	( 2,306,107)	-
Total revenues	19,424,019	( 295,187)	19,128,832
<b>Expenses</b>			
Grants and allocations			
Grants and allocations	20,452,350	-	20,452,350
Less: allocations funded through designations	( 9,520,975)	-	( 9,520,975)
Net grants and allocations	10,931,375	-	10,931,375
Support services:			
Management and general	2,416,807	-	2,416,807
Resource development and fundraising	3,235,168	-	3,235,168
Program services:			
Community impact	1,861,625	-	1,861,625
Community services	146,336	-	146,336
Initiative program services	3,575,548	-	3,575,548
Total functional expenses	11,235,484	-	11,235,484
Total expenses	22,166,859	-	22,166,859
<b>Change in Net Assets</b>	( 2,742,840)	( 295,187)	( 3,038,027)
<b>Net Assets - Beginning of Year</b>	<b>21,889,772</b>	<b>590,455</b>	<b>22,480,227</b>
<b>Net Assets - End of Year</b>	<b>\$ 19,146,932</b>	<b>\$ 295,268</b>	<b>\$ 19,442,200</b>

*The accompanying notes are an integral part of the consolidated financial statements.*

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Consolidated Statements of Functional Expenses For the Year Ended March 31, 2021

	Support Services		Program Services			Total
	Management and General	Resource Development and Fundraising	Community Impact	Community Services	Initiative Program Services (a)	
<b>Salaries and Related Expenses</b>						
Salaries	\$ 956,735	\$ 1,051,136	\$ 914,406	\$ 68,970	\$ 112,971	\$ 3,104,218
Employee benefits and related taxes	321,614	312,591	195,368	12,445	16,089	858,107
	<u>1,278,349</u>	<u>1,363,727</u>	<u>1,109,774</u>	<u>81,415</u>	<u>129,060</u>	<u>3,962,325</u>
<b>Expenses</b>						
Professional fees	486,375	704,362	72,286	3,822	13,402	1,280,247
Program grants and contracted agencies	-	-	-	-	3,492,798	3,492,798
Advertising and marketing	49,767	56,827	-	-	3,275	109,869
Office supplies, printing and postage	10,556	52,243	960	664	3,865	68,288
Occupancy, insurance and telephone	100,040	94,539	31,829	5,679	29,143	261,230
Special events	-	464	-	-	3,611	4,075
Travel and conferences	4,195	1,588	719	-	1,249	7,751
Miscellaneous	8,504	20,842	2,654	-	1,256	33,256
	<u>659,437</u>	<u>930,865</u>	<u>108,448</u>	<u>10,165</u>	<u>3,548,599</u>	<u>5,257,514</u>
<b>Total Expenses before Depreciation and Amortization and Dues to United Way Worldwide</b>	1,937,786	2,294,592	1,218,222	91,580	3,677,659	9,219,839
<b>Depreciation and Amortization</b>	38,914	46,940	24,921	1,873	40,801	153,449
<b>Dues to United Way Worldwide</b>	82,506	99,527	52,840	3,972	86,510	325,355
<b>Total Functional Expenses</b>	2,059,206	2,441,059	1,295,983	97,425	3,804,970	9,698,643
<b>Net Grants and Allocations Expenses</b>	-	-	-	-	8,292,502	8,292,502
<b>Total Expenses</b>	<u>\$ 2,059,206</u>	<u>\$ 2,441,059</u>	<u>\$ 1,295,983</u>	<u>\$ 97,425</u>	<u>\$ 12,097,472</u>	<u>\$ 17,991,145</u>

(a) Initiative Program Services includes Tax Time, Stable Families, Volunteerism, African American Leadership Academy and Project Diversity/Pride Leadership.

*The accompanying notes are an integral part of the consolidated financial statements.*



# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Consolidated Statements of Functional Expenses For the Year Ended March 31, 2020

	Support Services		Program Services			Total
	Management and General	Resource Development and Fundraising	Community Impact	Community Services	Initiative Program Services (a)	
<b>Salaries and Related Expenses</b>						
Salaries	\$ 1,216,665	\$ 1,616,689	\$ 1,212,070	\$ 110,908	\$ 161,380	\$ 4,317,712
Employee benefits and related taxes	393,190	416,095	328,602	12,722	30,682	1,181,291
	<u>1,609,855</u>	<u>2,032,784</u>	<u>1,540,672</u>	<u>123,630</u>	<u>192,062</u>	<u>5,499,003</u>
<b>Expenses</b>						
Professional fees	357,401	556,912	72,958	2,914	60,279	1,050,464
Program grants and contracted agencies	394	-	-	( 150)	3,070,840	3,071,084
Advertising and marketing	129,175	129,225	-	-	3,743	262,143
Office supplies, printing and postage	45,706	155,987	87,952	3,668	38,064	331,377
Occupancy, insurance and telephone	103,435	95,469	48,292	7,518	13,559	268,273
Special events	6	61,254	-	-	6,786	68,046
Travel and conferences	25,882	11,560	9,667	1,084	1,011	49,204
Miscellaneous	18,592	22,711	4,522	32	2,307	48,164
	<u>680,591</u>	<u>1,033,118</u>	<u>223,391</u>	<u>15,066</u>	<u>3,196,589</u>	<u>5,148,755</u>
<b>Total Expenses before Depreciation and Amortization and Dues to United Way Worldwide</b>	2,290,446	3,065,902	1,764,063	138,696	3,388,651	10,647,758
<b>Depreciation and Amortization</b>	34,813	46,634	26,879	2,105	51,491	161,922
<b>Dues to United Way Worldwide</b>	91,548	122,632	70,683	5,535	135,406	425,804
<b>Total Functional Expenses</b>	2,416,807	3,235,168	1,861,625	146,336	3,575,548	11,235,484
<b>Net Grants and Allocations Expenses</b>	-	-	-	-	10,931,375	10,931,375
<b>Total Expenses</b>	<u>\$ 2,416,807</u>	<u>\$ 3,235,168</u>	<u>\$ 1,861,625</u>	<u>\$ 146,336</u>	<u>\$ 14,506,923</u>	<u>\$ 22,166,859</u>

(a) Initiative Program Services includes Tax Time, Stable Families, Volunteerism, African American Leadership Academy Neighborhood Partnership Center and Project Diversity/Pride Leadership.

*The accompanying notes are an integral part of the consolidated financial statements.*

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Consolidated Statements of Cash Flows

### For the Years Ended March 31, 2021 and 2020

	2021	2020
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 3,315,428	\$( 3,038,027)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Uncollectible pledge expense	841,994	1,179,771
Depreciation and amortization	153,449	161,922
Net investment (gain) loss on funds held by others	( 205,545)	71,665
Gain on forgiveness of PPP loan	( 981,200)	-
Inherent contribution from United Way of Union County	( 815,457)	-
Decrease (increase) in assets:		
Contributions receivable	2,264,918	657,993
Other assets	( 36,879)	( 30,594)
Increase (decrease) in liabilities:		
Accounts payable and other miscellaneous liabilities	557,269	( 238,426)
Grants payable for initiative programs	( 7,264)	488,505
Funded agency allocations payable	( 2,059,451)	( 56,250)
Donor designations payable to agencies	( 1,612,754)	( 1,416,367)
Accrued payroll and related liabilities	( 48,737)	50,076
Funds held for others	33,709	300,075
Total adjustments	( 1,915,948)	1,168,370
Net cash and cash equivalents provided by (used in) operating activities	1,399,480	( 1,869,657)
<b>Cash Flows from Investing Activities</b>		
Purchases of short-term investments	( 774,679)	( 430,226)
Maturities of short-term investments	1,381,507	352,308
Cash proceeds from consolidation	392,446	-
Payments for the purchase of property and equipment	( 10,649)	( 35,294)
Net cash and cash equivalents provided by (used in) investing activities	988,625	( 113,212)
<b>Cash Flows from Financing Activities</b>		
Proceeds from PPP loans	1,978,517	-
Net payments on capital lease obligations	( 44,374)	( 41,792)
Net cash and cash equivalents provided by (used in) financing activities	1,934,143	( 41,792)
Increase (decrease) in cash and cash equivalents	4,322,248	( 2,024,661)
<b>Cash and Cash Equivalents – Beginning of Year</b>	<b>7,449,158</b>	<b>9,473,819</b>
<b>Cash and Cash Equivalents – End of Year</b>	<b>\$ 11,771,406</b>	<b>\$ 7,449,158</b>
<b>Supplemental Disclosures of Non-Cash Investing and Financing Transactions</b>		
Equipment acquired through capital lease obligation	\$ -	\$ 59,565

*The accompanying notes are an integral part of the consolidated financial statements.*

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020



#### Nature and Scope of Business

United Way of Central Ohio, Inc. (United Way) is a not-for-profit, federated fund-raising organization, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Effective January 1, 2021, United Way assumed the services of United Way of Union County, Inc. to expand the service area of United Way of Central Ohio, Inc. and to increase the capacity of United Way of Union County, Inc. to raise funds and meet philanthropic challenges.

United Way's mission statement is to improve lives of others by mobilizing the caring power of our community. United Way is dedicated to providing opportunities for people to succeed by acting as a catalyst for lasting improvements and by mobilizing our community to give and volunteer. United Way raises funds and invests in a wide network of funded partners who are working with families every day to provide food, stable housing, high-quality education and safe neighborhoods. United Way brings together more than 40,000 donors and volunteers to improve the policies and systems that directly affect thousands of lives, and develops and implements innovative and integrated ways to reduce poverty. United Way works intensively in priority neighborhoods to create broad positive changes by empowering neighborhood leaders and residents to change the places they live. United Way is dedicated to making the principles of diversity and inclusion a foundation for this work because the best decisions are made when all voices are heard and respected.

United Way is a volunteer-driven organization, governed by a volunteer Board of Trustees. United Way's fundraising efforts are conducted in Franklin County, Ohio and Union County, Ohio, however services are provided in the broader Central Ohio region.

#### Summary of Significant Accounting Policies

##### Principles of Consolidation

The consolidated financial statements include the financial statements of United Way of Central Ohio, Inc. and its wholly owned subsidiary United Way of Union County, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

##### Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Accordingly, actual results could differ from those estimates.

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020



#### Summary of Significant Accounting Policies (continued)

##### Financial Statement Presentation

United Way reports information regarding its financial position and activities according to two classes of net assets as follows:

- Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and are available for use in United Way’s ongoing operations, including funds designated by the Board of Trustees.
- Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions that either expire by passage of time, can be fulfilled and removed by action of United Way pursuant to those restrictions, and/or upon receipt of funding or passage of date upon which funds were due.

##### Cash and Cash Equivalents

For the purpose of reporting cash flows, cash and cash equivalents consist of cash on hand, cash maintained in interest bearing and non-interest bearing checking accounts, money market funds and certificates of deposit with original maturities of three months or less.

##### Contributions Receivable and Revenues

Contributions receivable are promises to give from various donors that are considered unconditional. Contributions receivable primarily consist of pledges made during annual giving campaign appeals, and are presented net of the allowance for doubtful accounts. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

Contributions receivable are considered past due when the pledge payment period has passed. An allowance is recorded for each campaign year based on management’s evaluation of outstanding pledges. This estimation takes into consideration current economic factors applied to the gross campaign, historical trends and past history with specific funding sources. Actual results could vary from the estimate. Once the likelihood of collecting receivables is determined to be remote, management writes off the specific account balance and relieves any related allowance.

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020



#### Summary of Significant Accounting Policies (continued)

##### Contributions Receivable and Revenues (continued)

Unconditional contributions are recognized as revenue in the year the commitment or payment is first received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – not recognized until the conditions on which they depend have been met. At March 31, 2021, contributions approximating \$436,000 have not been recognized in the accompanying consolidated statement of activities and changes in net assets because of the condition(s) on which they depend has not been met. The \$436,000 remaining conditional contributions are conditioned on qualifying expenditures being incurred on cost-reimbursement grants.

Contributions of assets other than cash are recorded at estimated fair value at the date of receipt.

Significant revenue funding is reported on the statements of activities as follows:

##### Campaign Contributions, Current Period

Campaign contributions include the annual campaign directed at corporations, individuals, employers/employees of for-profit, non-profit and governmental entities, as well as public and private foundations.

The core campaign is conducted each fall, and a majority of the pledges are received prior to December 31. All payments are typically expected by December 31 of the following year. Designations to specific not-for-profit organizations other than United Way are deducted from campaign resources raised during the current year campaign. Similarly, the grant and allocation expense is reduced by donor designations. Processing fees to record and distribute designations are recorded in unrestricted other revenues.

For the remaining campaign pledges and other donor designations, there are various payment options but payment generally occurs on a monthly or quarterly basis during the calendar year.

##### Grants for Initiatives Received Through the Campaign

Grants include specially promoted initiatives developed by United Way for which specific targeted donor solicitation occurs during the annual campaign period. Grants are funded by corporations, governmental agencies and foundations.

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020

#### Summary of Significant Accounting Policies (continued)

##### Contributions Receivable and Revenues (continued)

###### Grants for Initiatives Received Through the Campaign (continued)

Grant funding is originally recorded as donor restricted contribution revenue in the month that the promise to give is received, provided that the contribution is unconditional. Management then monitors the progress of the grant related project to ensure that the identified initiatives are completely performed pursuant to the terms of the grant, as well as to ensure that direct, and in certain cases, applicable indirect allocated costs are incurred. To the extent that the applicable performance and incurred costs are fulfilled, management releases the contribution revenue from net assets with donor restrictions to net assets without donor restrictions.

###### Other Campaign Contributions

Other campaign contributions include collections in excess of the original uncollectible allowance estimate from prior campaigns.

###### Special Initiative Program Funding

Funding includes other United Way initiatives and programs for which funding is solicited as part of the annual campaign process where donors have specifically designated their contribution for the initiative. United Way records the revenue initially through campaign contributions, records a contra-revenue to donor designations – affiliate agencies and initiatives, and then re-records the revenue to special initiative program funding.

This initiative funding is originally recorded as donor restricted contribution revenue in the month that the promise to give is received. Management then monitors the progress of the related initiative to ensure that applicable direct and allocated indirect costs are incurred. Management releases the contribution revenue from donor restricted net assets to net assets without donor restrictions in the month that sufficient costs are incurred. As of March 31 of each fiscal year end, typically 100% of the initiative funding is released from net assets with donor restrictions. This accounting occurs regardless of whether the donor is making payments over a period of time extending into the subsequent fiscal year, as management believes that the donor intended the funding to be applicable for the same fiscal year in which the promise to give is made.

###### Donor Designation Processing Fee

Donor designation processing fee includes public sector campaign administrative fees associated with United Way's role as the campaign coordinating organization and cost recovery fees assessed on private sector campaign donor designated pledges for fundraising and management and general expenses, based on actual historical costs, in accordance with United Way Worldwide Membership Requirements. The current total cost recovery fee is ten percent.

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020

#### Summary of Significant Accounting Policies (continued)

##### Contributions Receivable and Revenues (continued)

###### Sponsorships and Other Revenue

Sponsorships and other revenue typically include general unrestricted contributions, gifts and bequests, sponsorship funding and attendance fees for special events, as well as funding from endowments established at The Columbus Foundation for which the United Way does not have variance power.

##### Fair Value Measurements

U.S. GAAP established a fair value hierarchy that prioritizes the inputs to measure the fair value of the assets or liabilities being measured. Fair value is defined as the exchange value that would be received on the measurement date to sell an asset or to value the amount paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants. The three levels of the fair value hierarchy are as follows:

- Level 1      Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date. Level 1 inputs provide the most reliable measure of fair value as of the measurement date.
- Level 2      Inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active or inputs other than quoted prices that are observable for the asset or liability.
- Level 3      Inputs are significant unobservable inputs for the asset or liability.

The level of the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

##### Short-Term Investments

Certificates of deposit are valued at cost plus accrued interest. US Treasury Bills are valued using quoted market prices for identical investments in active markets. Bankers' acceptances and other short-term investments are valued on an amortized cost basis.

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020



#### Summary of Significant Accounting Policies (continued)

##### Short-Term Investments (continued)

Realized and unrealized gains and losses are included in the change in net assets without donor restrictions in the accompanying statements of activities and changes in net assets unless the donor has restricted earnings. If restricted earnings have restrictions met in the same year, those earnings are released from restrictions. Investments are exposed to various risks such as interest rate, market and credit risks. Accordingly, it is at least reasonably possible that changes in the value of investments may occur in the near term, which could be material.

##### Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation or amortization. Depreciation or amortization is computed using the straight-line method over the assets' estimated useful lives of 3 to 40 years. Major improvements and betterments are capitalized and depreciated or amortized. Maintenance and repairs that do not improve or extend the estimated useful lives of the respective assets are charged to expense as incurred. The carrying amounts of assets sold, retired or otherwise disposed and the related accumulated depreciation or amortization are eliminated from the accounts and any resulting gain or loss is included in the statements of activities.

##### Impairment of Assets

The carrying value of long-lived assets is reviewed for impairment at least annually, or whenever events or changes in circumstances indicate the amount of the assets may not be recoverable. When an indication of impairment is present and the undiscounted cash flows estimated to be generated by the related assets are less than the assets' carrying amount, an impairment loss will be recorded based on the difference between the carrying amount of the assets and their estimated fair value. Management determined that no impairment existed as of March 31, 2021 or 2020.

##### Donated Services

In-kind contributions of materials, property or equipment are recorded as contributions at the estimated fair value on the date of receipt. Contributions of services that enhance 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 consolidated financial statements, as those services do not meet this definition.

United Way has engaged Pizzuti Solutions LLC on a pro-bono basis to conduct a Programming, Planning and Feasibility study for the United Way of Central Ohio headquarters property at 360 S. Third Street. The programming and planning activities include the preparation of a space program for United Way of Central Ohio's future headquarters space needs, investigation of potential private or third-party development program alternatives, study of current site development alternatives and identification of project costs and financial feasibility.



# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020

#### Summary of Significant Accounting Policies (continued)

##### Donated Services (continued)

The value of services donated by Pizzuti Solutions was estimated to be \$8,250 and \$68,640 for the fiscal years ending March 31, 2021 and 2020, respectively. This has not been reflected in the consolidated financial statements.

United Way Worldwide (UWW) maintains relationships with the National Football League (NFL), the Ad Council, and other organizations on behalf of local United Ways. UWW underwrites the cost to produce Public Service Announcements (PSAs) that promote education, financial stability, and healthy living that features individuals who are involved in various local United Way community volunteer activities. The NFL, the Ad Council, and other organizations furnish the media space (television and radio airtime, newspaper and magazine print space, billboards, etc.) throughout the year at no cost to United Way. Management has elected to disclose an allocation of airtime based upon a multiplication factor of annual dues. This factor is provided to local United Ways by UWW before March 31st of each year, for application to the prior year's accounting. The allocated value of the donated media was estimated to be approximately \$295,000 for both of the calendar years ended December 31, 2020 and 2019. United Way of Central Ohio has not reflected this in-kind donation in the consolidated financial statements because Columbus does not have a local NFL team.

##### Agency Transactions

United Way receives resources in certain transactions where it is acting as an intermediary for the resource providers. The resources are then delivered to third-party recipients and service providers. Accordingly, these transactions are recognized as changes in assets and liabilities and do not affect the consolidated statement of activities and changes in net assets. Agency liabilities are classified on the consolidated statement of financial position as "funds held for others." United Way had agency relationships with the following:

- George Meany Banquet
- L Brands Volunteer Fund
- City of Columbus Neighborhoods and Innovation
- GiveBackHack
- Innovation Catalyst
- Civil Rights Hall of Fame
- NBC4i Stuff the Backpack
- 2020 Census Support – City of Columbus and Franklin County
- Cardinal Health Student Success
- Thrive EMC – Racial Equity Partnership
- Rise Together Innovation Center

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020

#### Summary of Significant Accounting Policies (continued)

##### Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of United Way. Those expenses include employee salaries and benefits and facility expenditures. Salaries and benefits are allocated based on estimates of time and effort utilized. Facility expenditures are allocated based on full-time equivalency (FTE) assigned to each function.

##### Paycheck Protection Program Loan Accounting Policy

Currently, there is no authoritative guidance under U.S. GAAP that addresses accounting and reporting by a not-for-profit business entity that receives forgivable debt from a government entity. Accordingly, management has elected to recognize forgivable debt received from a government entity as debt until debt extinguishment occurs when the Organization is legally released from being the obligor. Upon legal release as obligor, the Organization will recognize the forgiven amount as income in the consolidated statement of activities and changes in net assets.

##### Advertising

Advertising costs are expensed as incurred. Advertising expense was approximately \$68,000 and \$243,000 for the years ended March 31, 2021 and 2020, respectively.

##### Income Taxes

United Way is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provisions for federal, state or local taxes are included in the consolidated financial statements. United Way is also exempt from real estate taxes.

United Way performs an annual assessment for any uncertainty in income tax positions which includes an analysis of whether there are any tax positions taken with regard to unrelated business income, related deductions applied, or other activities that may jeopardize their tax exempt status and thus would meet the definition of an uncertain tax position. No tax liability accrual was recorded as of the years ended March 31, 2021 or 2020 relating to material uncertain positions taken, as management believes there are none.

##### Cost Deduction Standards

The United Way Worldwide Membership Requirement M – Cost Deduction Requirements (“Requirement M”) sets forth uniform standards for local United Ways to calculate the maximum amount of fundraising and management and general expenses to deduct from donor pledges. United Way complies with the guidelines as outlined in Requirement M.

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020

#### Summary of Significant Accounting Policies (continued)

##### Recent Accounting Pronouncements

The FASB recently issued ASU 2020-07 – *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* to improve the presentation of consolidated financial statements for not-for-profit entities. This update will require additional transparency as well as quantitative and qualitative disclosure regarding contributed nonfinancial assets. This amendment is effective for annual periods beginning after June 15, 2021 and is required to be adopted retrospectively. Early adoption is permitted. The Organization is in the process of assessing the implementation of this standard.

#### United Way of Union County Acquisition

Effective January 1, 2021, United Way of Central Ohio, Inc. became the sole member of United Way of Union County, Inc. through a change in control arrangement. This acquisition was made to expand the service area of United Way of Central Ohio, Inc. and to increase the capacity of United Way of Union County, Inc. to raise funds and meet philanthropic challenges. No consideration was transferred as part of this arrangement.

The assets acquired and liabilities assumed at the acquisition date are as follows:

Assets acquired:	
Cash	\$ 392,446
Contributions receivable, net	449,015
Other assets	4,323
Beneficial interest in assets held by foundation	167,024
Property and equipment, net	3,539
Total assets acquired	<u>1,016,347</u>
Liabilities assumed:	
Donor designations payable to agencies	139,968
Accrued payroll and related liabilities	5,036
Funds held for others	30,447
Notes payable	25,439
Total liabilities assumed	<u>200,890</u>
<b>Net assets acquired</b>	<b><u>\$ 815,457</u></b>

As no consideration was transferred and operations of United Way of Union County, Inc. are expected to be supported through future contribution revenue, an inherent contribution of \$815,457 was recognized in the consolidated statement of activities and changes in net assets as of the acquisition date for the total net assets acquired.

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020

#### Cash and Cash Equivalents

United Way maintains its cash and cash equivalents in financial institutions, which at times may exceed federally insured limits.

Cash held for agency contracts includes \$364,729 and \$570,143 for funds required to be maintained in separate bank accounts for the State of Ohio Combined Charitable Campaign as of March 31, 2021 and 2020, respectively.

#### Contributions Receivable

Contributions receivable consist of the following at March 31:

	2021	2020
Gross contributions receivable - future campaigns	\$ -	\$ 450,000
Discount	-	( 33,724)
Net future campaigns contributions receivable	-	416,276
Gross contributions receivable - 2020 campaign	<b>14,624,822</b>	-
Allowance for estimated uncollectible accounts	<b>( 1,245,828)</b>	-
Net 2020 campaign contributions receivable	<b>13,378,994</b>	-
Gross contributions receivable - 2019 campaign	<b>1,195,509</b>	17,194,531
Allowance for estimated uncollectible accounts	<b>( 1,149,166)</b>	( 1,683,613)
Net 2019 campaign contributions receivable	<b>46,343</b>	15,510,918
Gross contributions receivable - 2018 campaign	-	1,309,296
Allowance for estimated uncollectible accounts	-	( 1,153,256)
Net 2018 campaign contributions receivable	-	156,040
<b>Total net contributions receivable</b>	<b>\$ 13,425,337</b>	<b>\$ 16,083,234</b>

The contributions receivable are due primarily within one year.

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020

#### Short-Term Investments

The following is a summary of investments as of March 31:

	2021	2020
Certificates of deposit	\$ 1,301,590	\$ 3,443,661
Bankers acceptances	802,377	-
Commercial paper	499,383	-
US Treasury Bills	253,995	-
Other	41,554	62,066
<b>Total brokerage funds</b>	<b>\$ 2,898,899</b>	<b>\$ 3,505,727</b>

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

United Way has certificates of deposit, bankers' acceptances and commercial paper with initial maturities greater than three months. These investments are readily convertible to cash, but may be subject to a penalty upon conversion. They bear interest ranging from 0.10% to 0.20% with maturity dates through December 2021. US Treasury Bills are valued using quoted prices for identical investments in active markets and are considered to be level 1 investments.

#### Life Insurance Investment/Supplemental Executive Retirement Plan

United Way is the sole beneficiary of a life insurance policy on the life of the former CEO that is being utilized as an investment vehicle. The policy has a face value of \$1,462,500 and premium payments are no longer required. The accumulated cash surrender value is approximately \$987,000 and \$943,000 as of March 31, 2021 and 2020, respectively, and is included in other assets on the statements of financial position.

#### Beneficial Interest in Assets Held by Foundation

In 2002, United Way established an account at The Columbus Foundation for quasi-endowment purposes and designated itself the beneficiary. Accordingly, the fair value of the fund is recorded as the asset "Beneficial Interest in Assets Held by Foundation" on the statements of financial position. The fair value was \$1,271,381 and \$1,065,836 as of March 31, 2021 and 2020, respectively. Investment income is distributed to United Way semi-annually and was approximately \$62,000 and \$57,000 for the years ended March 31, 2021 and 2020, respectively. Investment income (loss), including realized and unrealized gains and losses net of fees, was approximately \$268,000 and (\$14,000) for the years ended March 31, 2021 and 2020, respectively.

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020

#### Beneficial Interest in Assets Held by Foundation (continued)

In addition, several endowment funds are maintained at The Columbus Foundation for the benefit of United Way. These funds represent endowment funds of The Columbus Foundation established by third-party donors. They are subject to the variance power of the Columbus Foundation's governing body and are therefore excluded from United Way's consolidated financial statements. United Way's interest in the fair value of these funds was approximately \$4,918,000 and \$3,655,000 at March 31, 2021 and 2020, respectively. Investment income is distributed to the United Way semi-annually and was approximately \$151,000 and \$113,000 for the years ended March 31, 2021 and 2020, respectively.

United Way of Union County, Inc. has also established an account for their benefit at The Union County Foundation for quasi-endowment purposes and designated itself the beneficiary. Accordingly, the fair value of the fund is recorded as the asset "Beneficial Interest in Assets Held by Foundation" on the statements of financial position. The fair value was \$167,024 as of March 31, 2021.

The fair value of the beneficial interests is based on units of the master investment pool applicable to United Way's pro-rata portion, and represented to be based on quoted active market prices; however, funds held by a community foundation under the arrangement described above are all considered to be within Level 2 of the fair value hierarchy.

#### Property and Equipment

The following is a summary of property and equipment, at cost, as of March 31:

	2021	2020
Non-depreciable:		
Land	\$ 266,846	\$ 266,846
Depreciable:		
Building and building improvements	2,448,482	2,448,482
Furniture and equipment	744,223	746,438
Computer software	21,437	21,437
	<u>3,214,142</u>	<u>3,216,357</u>
Total cost	3,480,988	3,483,203
Less: accumulated depreciation and amortization	( 2,463,794)	( 2,326,748)
Property and equipment, net	<u>\$ 1,017,194</u>	<u>\$ 1,156,455</u>

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020



#### Note Payable - Line of Credit

United Way has an unsecured revolving line of credit agreement with a bank in the amount of \$1,000,000. This line matures in September 2021. Interest is payable monthly at the bank's prime commercial rate (3.25% per annum at both March 31, 2021 and 2020), with all principal due at maturity. There was no outstanding balance on this obligation as of March 31, 2021 or 2020. No draws were made on the line since inception, and accordingly no interest has been incurred.

#### Paycheck Protection Program Loans

In connection with the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), in April 2020, United Way of Central Ohio was approved for a term note which allowed for available funds of \$981,200 and United Way of Union County was approved for a term note which allowed for available funds of \$25,300. The term notes charge interest at a fixed rate of 1%. The original repayment terms included principal and interest payments of \$54,944 and \$1,423 on the Central Ohio and Union County term notes, respectively, beginning in November 2020 through April 2022. In June of 2020, the PPP Flexibility Act of 2020 was signed into law, which revised the deferral period for PPP loans, allowing the Organization to defer payments until ten months after the end of the loan forgiveness covered period or when forgiveness is received. Under the terms of the PPP, up to 100% of the loan (and related interest expense) may be forgiven if the proceeds are used for covered expenses and certain other requirements related to wage rates and maintenance of full-time equivalents are met. United Way of Central Ohio has applied for forgiveness and received notification of formal forgiveness in March 2021. The forgiveness income has been recorded as other income in the accompanying consolidated statement of activities and changes in net assets and totaled \$981,200 for the year ended March 31, 2021. United Way of Union County has not yet received notification of forgiveness of their term note.

In December 2020, the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act (Economic Aid Act) was signed into law, which allows for a second draw of loans under the PPP. In February 2021, the Organization was approved for a second term note in the amount of \$997,317. The term note charges interest at a fixed rate of 1% with monthly payments of \$21,204, inclusive of interest, beginning in December 2021 through February 2026. Under the terms of the loan, up to 100% of the loan (and related interest) may be forgiven if the proceeds are used for covered expenses and certain other requirements are met. The Organization will apply for forgiveness of this term note during their fiscal year ended March 31, 2022 and expects to achieve full forgiveness of the loan and accrued interest.

The U.S. Small Business Administration (SBA) may undertake a review of a loan of any size during the six-year period following forgiveness or repayment of the loan. The review may include the loan forgiveness application, as well as whether the Organization met the eligibility requirements of the program and received the proper loan amount. The timing and outcome of any SBA review is not known.

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020

#### Paycheck Protection Program Loans (continued)

Scheduled principal maturities of PPP loans are as follows:

		PPP Loans
2022	\$	91,978
2023		236,611
2024		235,724
2025		238,092
2026		220,351
		\$ 1,022,756

#### Funded Agency Allocations Payable

Funded agency allocations payable represents program funding amounts due to United Way funded agencies as approved and committed, but not yet paid, as of March 31. Funded agencies receiving program funding from United Way undergo intensive staff and volunteer pre-screening before being awarded funding. Available funds for funded agency and initiative program funding are determined by the amount of designated gifts and the allocation of undesignated contributions after allowing for anticipated uncollectible pledges and operating costs.

#### Donor Designations Payable to Agencies

Donor designations payable to agencies represents donor contributions directed to agencies and other United Ways accrued, but not yet paid, as of March 31. Donor designations payable to agencies are recorded net of associated cost recovery fees.

#### Capital Lease Obligations

United Way has various equipment leases accounted for as capital leases. Monthly payments total \$3,731 plus quarterly payments of \$1,064. Interest rates range from 5.94% to 7.13% for the leases.

Following is a summary of property held under capital lease and included in property and equipment as of March 31:

	2021	2020
Equipment	\$ 178,475	\$ 178,475
Less: accumulated depreciation	( 102,489)	( 71,368)
	\$ 75,986	\$ 107,107



# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020

#### Capital Lease Obligations (continued)

Depreciation expense on equipment held under capital lease is included in depreciation and amortization expense on the statements of functional expenses.

Future minimum lease payments under these capital leases as of March 31, 2021 through maturity are as follows:

2022	\$ 43,497
2023	10,456
	<u>53,953</u>
Less: amount representing interest	( 2,075)
<b>Capital lease obligations</b>	<b><u>\$ 51,878</u></b>

#### Net Assets without Donor Restrictions

The Board of Trustees designated certain funds to be used for programs that are designed to promote the mission of United Way which are included in net assets without donor restrictions.

Net assets without donor restrictions designated by the Board of Trustees for special purposes are as follows as of March 31:

	2021	2020
Board designated funds:		
Impact council and strategic initiatives	\$ 1,361,285	\$ 1,637,015
Operating reserve	4,025,328	4,025,328
Quasi endowment with Columbus Foundation	1,261,589	1,055,955
United Way of Union County net assets	562,726	-
Subtotal of Board designated funds	<u>7,210,928</u>	<u>6,718,298</u>
Undesignated net assets	<u>15,546,700</u>	<u>12,428,634</u>
<b>Total net assets without donor restrictions</b>	<b><u>\$ 22,757,628</u></b>	<b><u>\$ 19,146,932</u></b>

Funds designated for impact council and strategic initiatives include planned future spending for initiative programs including Stable Families, Tax Time and Project Diversity/Pride Leadership as well as funds allocated for future community outreach and flexible response needs.

The operating reserve is established under a Board-approved policy to be separately invested in short-term investments, with a target of 3-6 months of internal operating expenses, so as to be available to meet unfunded and unexpected organizational needs, or to provide funds for emergency and emerging needs of the community. Any decision regarding use of the operating reserve funds requires Executive Committee or full Board approval.

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020

#### Net Assets without Donor Restrictions (continued)

In 2002, United Way established an account at The Columbus Foundation, with an initial deposit of approximately \$200,000, for quasi-endowment purposes and designated itself the beneficiary. The quasi-endowment fund principal balance is intended to secure United Way's long-term financial viability and to provide interest earnings to offset internal staff costs for leadership and planned giving resource development. Any funds received from donor bequests realized are deposited to the endowment fund to grow the principal balance.

The undesignated net assets without donor restrictions are anticipated to be used for future agency program funding not yet formally committed by the Board, future programs and initiatives funding and other planned community impact investments.

#### Net Assets with Donor Restrictions

Net assets with donor restrictions consist of contributions to future campaign years, net of donor designations, as well as grants to initiatives and programs, which are time restricted.

Net assets with donor restrictions are held in cash and cash equivalents and contributions receivable net of designations as of March 31, 2020. There were no donor restricted net assets as of March 31, 2021.

#### Liquidity and Availability of Resources

United Way's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	2021	2020
Cash and cash equivalents	\$ 11,771,406	\$ 7,449,158
Contributions receivable, net	13,425,337	16,083,234
Short-term investments	2,898,899	3,505,727
Other assets	1,082,455	1,041,253
Beneficial interest in assets held by foundation	1,438,405	1,065,836
Total financial assets available within one year	<b>30,616,502</b>	29,145,208
Less:		
Amounts unavailable to management without Board approval	( 6,648,202)	( 6,718,298)
Designated and/or approved for allocation to agencies	( 5,220,690)	( 8,752,927)
Grants payable for initiative programs	( 831,617)	( 838,881)
Funds held for others	( 831,028)	( 766,872)
Contributions receivable relating to future campaign years	-	( 416,276)
Total amounts unavailable for general expenditure within one year	<b>( 13,531,537)</b>	( 17,493,254)
<b>Total financial assets available within one year</b>	<b>\$ 17,084,965</b>	<b>\$ 11,651,954</b>

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020



#### Liquidity and Availability of Resources (continued)

As part of United Way of Central Ohio's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, future planned program funding allocations and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$1,000,000, which it could draw upon. Additionally, the Organization has Board Designated net assets without donor restrictions that, while the Organization does not intend to spend for these purposes other than those identified, the amounts could be made available for current operations, if necessary.

#### Concentrations

Two donor organizations accounted for approximately 25% and 28% of total annual campaign results for the years ended March 31, 2021 and 2020, respectively. Two donor organizations accounted for approximately 33% and 40% of current campaign year net contributions receivable as of March 31, 2021 and 2020, respectively.

#### Retirement Plans

United Way maintains a defined contribution 401(k) plan, which covers substantially all employees who have completed one month of service and are at least 21 years old. Participants may contribute a percentage of their compensation on a pre-tax basis, up to the maximum allowed under federal guidelines.

The 401(k) plan allows for a 3% safe harbor contribution for each eligible employee with at least one year of service, regardless of whether the employee is contributing to the 401(k) plan. The total safe harbor contribution to the 401(k) plan during the years ended March 31, 2021 and 2020 was approximately \$81,000 and \$107,000, respectively.

United Way provides a matching contribution of up to 3% of the participants' eligible compensation for individuals participating in the 401(k) plan who have completed at least one year of service. The matching contribution to this Plan for the years ended March 31, 2021 and 2020 was approximately \$67,000 and \$99,000, respectively.

United Way established a 457(b) Deferred Compensation Plan, effective as of January 1, 2018. The Plan is maintained primarily for the purpose of providing deferred compensation for the President & CEO and SVP Finance & CFO who are covered under the Plan. The Plan document is intended to constitute a "top hat" plan under Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended, and to constitute an eligible deferred compensation plan within the meaning of Section 457 of the Internal Revenue Code of 1986, as amended. Deferrals consist only of employer contributions. The employer contribution was approximately \$39,000 and \$19,000 for the years ended March 31, 2021 and 2020, respectively.

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

### March 31, 2021 and 2020



#### **Risk and Uncertainties**

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

#### **Subsequent Events – Date of Management Evaluation**

Management evaluated subsequent events through the date of the Independent Auditor's Report, which is the date the consolidated financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**



To the Board of Trustees  
United Way of Central Ohio, Inc.  
Columbus, Ohio

### **Independent Auditor's Report on Supplementary Information**

We have audited the consolidated financial statements of United Way of Central Ohio, Inc. and Subsidiary for the years ended March 31, 2021, and our report thereon dated June 28, 2021, which expressed an unmodified opinion on those consolidated financial statements, appears on Pages 3 and 4. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Consolidating Balance Sheets as of March 31, 2021 are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*GBQ Partners LLC*

Columbus, Ohio  
June 28, 2021

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Consolidating Balance Sheets

### March 31, 2021

	United Way of Central Ohio	United Way of Union County	Total
<b>ASSETS</b>			
<b>Assets</b>			
Cash and cash equivalents	\$ 11,313,850	\$ 457,556	\$ <b>11,771,406</b>
Contributions receivable, net	13,049,456	375,881	<b>13,425,337</b>
Short-term investments	2,898,899	-	<b>2,898,899</b>
Other assets	1,081,233	1,222	<b>1,082,455</b>
Beneficial interest in assets held by foundation	1,271,381	167,024	<b>1,438,405</b>
Property and equipment, net	1,014,674	2,520	<b>1,017,194</b>
<b>TOTAL ASSETS</b>	<b>\$ 30,629,493</b>	<b>\$ 1,004,203</b>	<b>\$ 31,633,696</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Accounts payable and other miscellaneous liabilities	\$ 662,042	\$ -	\$ <b>662,042</b>
Grants payable for initiative programs	831,617	-	<b>831,617</b>
Funded agency allocations payable	-	275,054	<b>275,054</b>
Donor designations payable to agencies	4,857,763	87,873	<b>4,945,636</b>
Accrued payroll and related liabilities	233,393	22,664	<b>256,057</b>
Capital lease obligations	51,878	-	<b>51,878</b>
Funds held for others	800,581	30,447	<b>831,028</b>
Notes payable	997,317	25,439	<b>1,022,756</b>
Total liabilities	8,434,591	441,477	<b>8,876,068</b>
<b>Net Assets</b>			
Without donor restrictions	22,194,902	562,726	<b>22,757,628</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 30,629,493</b>	<b>\$ 1,004,203</b>	<b>\$ 31,633,696</b>

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Schedule of Expenditures of Federal Awards For the Year Ended March 31, 2021



Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Grantor Contract Number	Total Expenditures
U.S. Department of Treasury; Internal Revenue Service; IRS VITA Program	21.009		\$ 153,207
U.S. Department of Health and Human Services; Ohio Department of Job and Family Services; Temporary Assistance for Needy Families Program	93.558	G-2021-17-0444	1,428,078
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,581,285</b>

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Amounts to Subrecipients
U.S. Department of Health and Human Services; Ohio Department of Job and Family Services; Temporary Assistance for Needy Families Program	93.558	\$ 1,298,253



# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Notes to Schedule Expenditures of Federal Awards For the Year Ended March 31, 2021



1. The purpose of the Schedule of Expenditures of Federal Awards is to present a summary of the activities of United Way for the year ended March 31, 2021, which were funded by the U.S. Government.

Because the Schedule presents only a selected portion of the activities of United Way, it is not intended to and does not present the financial position, results of operations or changes in net assets of United Way. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule above may differ from amounts presented in, or used in the preparation of, the accompanying consolidated financial statements.

The Schedule is prepared on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. CFR Part 230, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. United Way has elected to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.



To the Board of Trustees  
United Way of Central Ohio, Inc.  
Columbus, Ohio

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards***

---

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of United Way of Central Ohio, Inc. and Subsidiary (United Way), which comprise the consolidated statement of financial position as of March 31, 2021, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 28, 2021.

***Internal Control over Financial Reporting***

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

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

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

To the Board of Trustees  
United Way of Central Ohio, Inc.  
Page 2

### ***Compliance and Other Matters***

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

### ***Purpose of this Report***

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

*GBQ Partners LLC*

Columbus, Ohio  
June 28, 2021



To the Board of Trustees  
United Way of Central Ohio, Inc.  
Columbus, Ohio

## **Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

### ***Report on Compliance for Each Major Federal Program***

We have audited the compliance of United Way of Central Ohio, Inc. and Subsidiary (United Way) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on United Way's major federal programs for the year ended March 31, 2021. United Way's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for United Way's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about United Way's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of United Way's compliance.

### ***Opinion on the Major Federal Programs***

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

### ***Report on Internal Control over Compliance***

Management of United Way is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered United Way's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of United Way's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Purpose of this Report***

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

*GBQ Partners LLC*

Columbus, Ohio  
June 28, 2021

# UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY

## Schedule of Findings and Questioned Costs For the Year Ended March 31, 2021

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued - unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_\_\_ X No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes \_\_\_\_\_ X None Reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes \_\_\_\_\_ X No

#### Federal Awards

Type of auditor's report issued on compliance for major programs - unmodified.

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_\_\_ X No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes \_\_\_\_\_ X None Reported
- Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 of the Uniform Guidance? \_\_\_\_\_ Yes \_\_\_\_\_ X No

### Identification of Major Programs:

CFDA Number	Name of Federal Program
93.558	U.S. Department of Health and Human Services; Ohio Department of Job and Family Services; Temporary Assistance for Needy Families Program
Dollar threshold used to distinguish between Type A and Type B programs	\$ <u>750,000</u>
Auditee qualified as low-risk auditee?	_____ Yes <span style="margin-left: 100px;">_____ X</span> No

**UNITED WAY OF CENTRAL OHIO, INC. AND SUBSIDIARY**  
**Schedule of Findings and Questioned Costs** (continued)  
**For the Year Ended March 31, 2021**



**Section II – Consolidated Financial Statements Findings**

There were no findings required to be reported in accordance with *Government Auditing Standards*.

**Section III – Federal Award Findings and Questioned Costs**

There were no findings or questioned costs for federal awards for the year ended March 31, 2021.

**Section IV – Summary Schedule of Prior Year Audit Findings**

There were no prior year audit findings.