

**United Way of Greater Cincinnati  
and Subsidiary**

Consolidated Financial Statements with Supplementary Information  
December 31, 2022 and 2021, and Independent Auditors' Report

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

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## Independent Auditors' Report

To the Board of Directors of  
United Way of Greater Cincinnati and Subsidiary

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying consolidated financial statements of United Way of Greater Cincinnati and Subsidiary (a nonprofit organization) and Affiliates, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the 2022 consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greater Cincinnati and Subsidiary as of December 31, 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit 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. 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 United Way of Greater Cincinnati and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Prior Period Financial Statements**

The consolidated financial statements of United Way of Greater Cincinnati as of December 31, 2021 were audited by other auditors whose report dated June 21, 2022, expressed an unmodified opinion on those statements.

#### **Responsibilities of Management for the Financial Statements**

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

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

**Independent Auditors' Report  
(Continued)**

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Greater Cincinnati and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Greater Cincinnati and Subsidiary's ability to continue as a going concern for a reasonable period of time.

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

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and is 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.

**Independent Auditors' Report  
(Continued)**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2023, on our consideration of United Way of Greater Cincinnati and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Way of Greater Cincinnati and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Greater Cincinnati and Subsidiary's internal control over financial reporting and compliance.

*Barnes, Dennig & Co., Ltd.*

June 15, 2023  
Cincinnati, Ohio

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2022

	Without Donor Restrictions		With Donor	Total
	Operating	Custodial	Restrictions	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,321,240	\$ 1,939,482	\$ 2,005,868	\$ 10,266,590
Contributions receivable	16,956,752	-	1,333,164	18,289,916
Less allowance for uncollectible	(3,611,858)	-	-	(3,611,858)
Grants and other receivables	515,140	-	1,000,000	1,515,140
Investments	50,173,767	-	3,392,497	53,566,264
Investments held in endowment	20,081,913	-	577,022	20,658,935
Beneficial interest in charitable trusts	-	-	15,133,063	15,133,063
Interest in assets at community foundations	286,694	-	-	286,694
Other current assets	587,189	-	9,714	596,903
Notes receivable	335,222	-	-	335,222
Land, buildings and equipment, net	10,829,787	-	-	10,829,787
<b>TOTAL ASSETS</b>	<b>\$ 102,475,846</b>	<b>\$ 1,939,482</b>	<b>\$ 23,451,328</b>	<b>\$ 127,866,656</b>
<b>LIABILITIES</b>				
Grants and designations payable	\$ 15,494,820	\$ -	\$ -	\$ 15,494,820
Accounts payable	801,252	-	-	801,252
Accrued expenses	705,584	-	-	705,584
Other liabilities	737,205	1,939,482	-	2,676,687
<b>TOTAL LIABILITIES</b>	<b>17,738,861</b>	<b>1,939,482</b>	<b>-</b>	<b>19,678,343</b>
<b>NET ASSETS</b>				
Without donor restrictions				
Undesignated	12,997,013	-	-	12,997,013
Designated by the Board	71,739,972	-	-	71,739,972
Total without donor restrictions	84,736,985	-	-	84,736,985
With donor restrictions				
Perpetual in nature	-	-	7,051,455	7,051,455
Purpose restrictions	-	-	15,821,131	15,821,131
Time-restricted for future periods	-	-	578,742	578,742
Total with donor restrictions	-	-	23,451,328	23,451,328
<b>TOTAL NET ASSETS</b>	<b>84,736,985</b>	<b>-</b>	<b>23,451,328</b>	<b>108,188,313</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 102,475,846</b>	<b>\$ 1,939,482</b>	<b>\$ 23,451,328</b>	<b>\$ 127,866,656</b>

See Notes to Consolidated Financial Statements

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2021

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

See Notes to Consolidated Financial Statements

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF ACTIVITIES For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT &amp; REVENUE</b>			
Gross campaign results (2022/2023)	\$ 18,857,412	\$ 1,364,480	\$ 20,221,892
Less donor designations	(5,177,202)	-	(5,177,202)
Less provision for uncollectible	(1,817,000)	-	(1,817,000)
Net campaign revenue (2022/2023)	<u>11,863,210</u>	<u>1,364,480</u>	<u>13,227,690</u>
Gross campaign results (2021/2022)	3,818,853	351,143	4,169,996
Change in provision for uncollectible	636,042	-	636,042
Net campaign revenue (2021/2022)	<u>4,454,895</u>	<u>351,143</u>	<u>4,806,038</u>
Gross campaign results (2020/2021)	478,352	-	478,352
Change in provision for uncollectible	1,783,284	-	1,783,284
Net campaign revenue (2020/2021)	<u>2,261,636</u>	<u>-</u>	<u>2,261,636</u>
Other contributions	1,288,754	485,472	1,774,226
Designations from other United Ways	209,050	-	209,050
Service fees	231,105	-	231,105
Grants and contracts	14,807,693	1,902,947	16,710,640
Income on beneficial interest in charitable trusts	466,700	473,807	940,507
Net investment return	1,466,258	81,552	1,547,810
Net realized gain/(loss) on investments	(460,118)	17,458	(442,660)
Net unrealized gain/(loss) on investments	(6,871,427)	(898,189)	(7,769,616)
Fair value change of beneficial interest in charitable trusts	-	(3,768,826)	(3,768,826)
Donated materials and services	183,500	-	183,500
Miscellaneous income	317,863	-	317,863
Net assets released from restrictions	<u>2,684,855</u>	<u>(2,684,855)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>32,903,974</b>	<b>(2,675,011)</b>	<b>30,228,963</b>
<b>EXPENSES</b>			
Program services			
Grants and distributions	32,316,114	-	32,316,114
Less donor designations	(5,177,202)	-	(5,177,202)
Net grants and distributions	<u>27,138,912</u>	<u>-</u>	<u>27,138,912</u>
Other program services	4,879,117	-	4,879,117
Total program services	<u>32,018,029</u>	<u>-</u>	<u>32,018,029</u>
Supporting services	6,055,447	-	6,055,447
<b>TOTAL EXPENSES</b>	<b>38,073,476</b>	<b>-</b>	<b>38,073,476</b>
<b>CHANGE IN NET ASSETS</b>	<b>(5,169,502)</b>	<b>(2,675,011)</b>	<b>(7,844,513)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>89,906,487</b>	<b>26,126,339</b>	<b>116,032,826</b>
<b>NET ASSETS, END OF YEAR</b>	<b><u>\$ 84,736,985</u></b>	<b><u>\$ 23,451,328</u></b>	<b><u>\$ 108,188,313</u></b>

*See Notes to Consolidated Financial Statements*



# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

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

See Notes to Consolidated Financial Statements

**UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2022**

EXPENSES	PROGRAM SERVICES			SUPPORT SERVICES			Total
	Community Impact	Direct Services	Program Services Total	Organizational Administration	Fundraising	Support Services Total	
Grants and distributions	\$ 32,094,488	\$ 221,626	\$ 32,316,114	\$ -	\$ -	\$ -	\$ 32,316,114
Less donor designations	(5,177,202)	-	(5,177,202)	-	-	-	(5,177,202)
Sub-Total	26,917,286	221,626	27,138,912	-	-	-	27,138,912
Salaries	1,651,213	1,018,933	2,670,146	1,486,446	1,553,857	3,040,303	5,710,449
Payroll taxes	117,985	85,285	203,270	105,898	120,309	226,207	429,477
Employee benefits	201,082	122,089	323,171	209,109	201,289	410,398	733,569
Sub-Total	1,970,280	1,226,307	3,196,587	1,801,453	1,875,455	3,676,908	6,873,495
Contract services	380,906	146,345	527,251	351,634	144,932	496,566	1,023,817
Office expense	167,765	42,119	209,884	120,817	43,751	164,568	374,452
Printing and publications	12,758	19,298	32,056	15,320	40,715	56,035	88,091
Information technology	248,771	169,425	418,196	30,288	217,226	247,514	665,710
Occupancy	458,397	106,849	565,246	450,296	242,059	692,355	1,257,601
Advertising and promotions	200,161	8,170	208,331	25,272	27,018	52,290	260,621
Travel	15,217	3,408	18,625	3,599	3,176	6,775	25,400
Meetings and events	97,555	21,445	119,000	21,858	37,160	59,018	178,018
Staff development	2,797	1,192	3,989	3,606	9,293	12,899	16,888
Dues	100,848	61,631	162,479	94,863	100,141	195,004	357,483
Interest	113	71	184	104	108	212	396
Insurance	26,251	4,914	31,165	32,688	20,829	53,517	84,682
Miscellaneous	29,814	14,947	44,761	49,947	13,094	63,041	107,802
Depreciation and amortization	157,312	97,912	255,224	143,833	149,741	293,574	548,798
Sub-Total	1,898,665	697,726	2,596,391	1,344,125	1,049,243	2,393,368	4,989,759
Less interdepartmental expenses	(24,000)	(889,861)	(913,861)	(14,829)	-	(14,829)	(928,690)
Total expenses included in the expense section of the statement of activities	\$ 30,762,231	\$ 1,255,798	\$ 32,018,029	\$ 3,130,749	\$ 2,924,698	\$ 6,055,447	\$ 38,073,476

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

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

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF CASH FLOWS For the Years Ended December 31, 2022 and 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (7,844,513)	\$ 15,269,348
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized (gain)/loss on investments	442,660	(1,320,709)
Net unrealized (gain)/loss on investments	7,769,616	(1,424,637)
Depreciation and amortization	548,798	576,805
Net (gain)/loss on disposal of assets	17,093	(229,817)
Change in fair value of beneficial interest in charitable trusts	3,768,826	(1,591,185)
Provision for uncollectible contributions receivable	(468,963)	2,250,684
Reserve for software license obsolescence	-	11,312
Change in cash value of life insurance	5,297	(5,706)
Forgiveness on Paycheck Protection Program loan	-	(1,383,300)
Transfer of Middletown Area investments	-	(451,031)
Changes in:		
Contributions receivable, net and grants and other receivables	(586,051)	1,990,130
Other current and long-term assets and liabilities	1,354,738	732,545
Grants and accounts payable and accrued expenses	<u>(1,326,985)</u>	<u>(10,086,237)</u>
Net cash provided by operating activities	3,680,516	4,338,202
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	56,735,559	175,279,676
Purchase of investments	(68,411,098)	(196,129,746)
Proceeds from sale of property and equipment	-	504,500
Net cash provided by (used in) investing activities	(11,918,407)	(20,667,799)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payment of capital lease obligations	-	(15,517)
Net cash used in financing activities	<u>-</u>	<u>(15,517)</u>
Increase/(decrease) in cash and cash equivalents	(8,237,891)	(16,345,114)
Cash and cash equivalents at beginning of year	<u>18,504,481</u>	<u>34,849,595</u>
Cash and cash equivalents at end of year	<u><b>\$ 10,266,590</b></u>	<u><b>\$ 18,504,481</b></u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Interest paid	\$ 396	\$ 1,230
Accounts payable incurred for purchase of property and equipment	\$ 82,886	\$ -

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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### NOTE A - ORGANIZATION

United Way of Greater Cincinnati (UWGC) believes all families in our region deserve economic well-being. We bring new voices and solutions to decades-old challenges so families in our community thrive. As the community catalyst, UWGC drives change through investment, influence and services to create lasting change for families today and in the future. Our investment decisions and program designs are driven by listening to community members and by analyzing community data.

UWGC creates positive, community-wide change through six investment portfolios: Housing First; NextGen Success; Equitable Economic Mobility; Improved Prevention/Stronger Communities; Ready Kids/Resilient Families; and Responding to Community Needs.

UWGC, incorporated in 1920 in the State of Ohio as a charitable organization, is recognized as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

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

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

#### 1. Community Impact

UWGC is the catalyst for a community impact effort focused on meeting immediate, urgent needs while also tackling complex, long-term challenges that no single organization can solve alone. Functioning as a leadership voice, UWGC builds on insight from individuals and organizations throughout its nine-county service area (Hamilton, Clermont and Brown counties in Ohio; Boone, Kenton, Campbell, and Grant counties in Kentucky; and Dearborn and Ohio counties in Indiana) with a shared goal of transforming the region so everyone achieves economic well-being.

UWGC's work focuses on three essential building blocks for a good life:

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

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

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### NOTE A - ORGANIZATION (continued)

#### 1. Community Impact (continued)

UWGC's staff seeks input from community members regarding challenges that should be addressed and solution that work best for them. Such information as well as analysis of community data, informs UWGC's decisions on funding, initiatives, programs and strategies designed to improve the economic well-being of Greater Cincinnati families.

Strategic community initiatives promote collaborative problem solving and community development with governmental and non-profit agencies. An important component of our work involves advocacy and the promotion of public policy with elected and appointed federal, state and local officials.

#### 2. Direct Services

Direct Services are services provided by UWGC, such as the United Way 211 Helpline, Free Tax Prep, and United Way Volunteer Connection.

United Way's 211 Helpline links people to services and volunteer opportunities. United Way 211 Helpline is available 24 hours a day, seven days a week to people in: Hamilton, Clermont, Brown, and Adams Counties in Ohio; Boone, Kenton, Campbell, and Grant counties in Kentucky.

UWGC's Free Tax Prep program provides free tax preparation and filing services for people with low-to-moderate incomes. Free Tax Prep ensures that people get the tax credits they deserve while saving them tax preparation fees.

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

#### 3. Fundraising

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

#### 4. Organizational Administration

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

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1. Principles of Consolidation

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

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 1. Principles of Consolidation (continued)

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

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

#### 2. Financial Statement Presentation

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

#### 3. Cash and Cash Equivalents

UWGC considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2022 and 2021, cash equivalents consisted primarily of money market mutual funds.

UWGC’s cash accounts exceeded federally insured limits by approximately \$7,577,000 at December 31, 2022.

#### 4. Contributions Receivable

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

#### 5. Investments and Net Investment Return

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

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

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 6. Land, Buildings and Equipment

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

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

No asset impairment was recognized during the years-ended December 31, 2022 and 2021.

#### 7. Contributions

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

##### **Nature of the Gift**

*Conditional gifts, with or without restriction*

Gifts that depend on the UWGC overcoming a donor imposed barrier to be entitled to the funds

##### **Value Recognized**

Not recognized until the gift becomes unconditional, *i.e.*, the donor imposed barrier is met

*Unconditional gifts, with or without restriction*

Received at date of gift – cash and other assets

Fair value

Received at date of gift – property, equipment and long-lived assets

Estimated fair value

Expected to be collected within one year

Net realizable value

Collected in future years

Initially reported at fair value determined using the discounted present value of estimated future cash flows technique



# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 7. Contributions (continued)

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

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

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

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction. There were no conditional contributions as of December 31, 2022 and 2021.

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

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

#### 8. Donated Materials and Services

Contributions of materials and services are recognized as revenue at their estimated fair value. Donated services are recognized only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Donated materials and services in 2022 and 2021 are without donor restriction and total approximately \$183,500 and \$781,300, respectively, and primarily includes advertising that is provided over television networks in the region to promote United Way.

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 9. Grants Expense

UWGC records grants to agencies as grants expense in the period such grants are approved by the Board of Directors and commitments are made to the recipient agencies. UWGC has a policy of making grant commitments in the spring for a grant funding year of July 1 to June 30.

#### 10. Functional Allocation of Expenses

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

#### 11. Net Assets

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

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

#### 12. Effect of Adopting New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 842, *Leases* to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. UWGC adopted the standard effective January 1, 2022. The standard did not result in a material change to the consolidated financial statements.

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 12. Effect of Adopting New Accounting Standards (continued)

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* to increase transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. These include separate presentation in the statement of activities, disaggregation by type, policy and qualitative information about monetization and utilization, description of valuation techniques and inputs used to arrive at a fair value measure, and donor-imposed restrictions associated with the contributed nonfinancial assets. UWGC adopted the standard effective January 1, 2022, applied retrospectively.

#### 13. Capital Lease Obligation

In 2021, capital leases included leases covering copiers which expired in September 2022. There are no capital leases at December 31, 2022.

#### 14. Market and Credit Risk

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

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

#### 15. Income Taxes

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

#### 16. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, other changes in net assets during the reporting period. Actual results could differ from those estimates.

#### 17. Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

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### NOTE C – REVENUE FROM CONTRACTS WITH THIRD PARTIES

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

#### Service Fee Revenue

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

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

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

### NOTE D - CONTRIBUTIONS RECEIVABLE

Contributions receivable without donor-imposed restrictions and the related allowance for uncollectible contributions at December 31, 2022 and 2021:

	Contributions Receivable	Allowance for Uncollectible	Net Contributions Receivable
2022			
Campaign 2022-2023	\$ 13,083,311	\$ (1,817,000)	\$ 11,266,311
Campaign 2021-2022	3,873,441	(1,794,858)	2,078,583
Total	<u>\$ 16,956,752</u>	<u>\$ (3,611,858)</u>	<u>\$ 13,344,894</u>
2021			
Campaign 2021-2022	\$ 16,261,245	\$ (2,431,100)	\$ 13,830,145
Campaign 2020-2021	3,092,490	(2,681,077)	411,413
Total	<u>\$ 19,353,735</u>	<u>\$ (5,112,177)</u>	<u>\$ 14,241,558</u>

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

#### NOTE D - CONTRIBUTIONS RECEIVABLE (continued)

In addition, UWGC has received donor-imposed restricted contributions, as follows:

	2022	2021
Within one year	\$ 1,309,268	\$ 100,000
One to five years	41,030	46,100
	<u>1,350,298</u>	<u>146,100</u>
Less: present value component	(17,134)	(2,196)
Total multi-year contributions receivable	<u>\$ 1,333,164</u>	<u>\$ 143,904</u>

#### NOTE E – GRANTS AND OTHER RECEIVABLES

Grants and other receivables at December 31, 2022 and 2021:

	Without Donor Restrictions		With Donor Restrictions	Total
	Operating	Custodial		
2022				
Interest and dividends	\$ 203,507	\$ -	\$ -	\$ 203,507
Other receivables	236,633	-	-	236,633
Grant receivables	75,000	-	1,000,000	1,075,000
Total	<u>\$ 515,140</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 1,515,140</u>
2021				
Other receivables	\$ 139,124	\$ -	\$ -	\$ 139,124
Interest and dividends	264,793	61,324	(3,563)	322,554
Grant receivables	291,044	-	-	291,044
Total	<u>\$ 694,961</u>	<u>\$ 61,324</u>	<u>\$ (3,563)</u>	<u>\$ 752,722</u>

All accounts were deemed collectible as of December 31, 2022 and 2021.

#### NOTE F - CHARITABLE TRUST AGREEMENTS

UWGC is the beneficiary of several perpetual trusts. Under the terms of these agreements, UWGC is to receive income earned on trust assets annually for its use into perpetuity. At the time UWGC is notified of its interest, the fair value of UWGC's interest in these perpetual trusts is recorded as a contribution with donor restrictions and a beneficial interest in the charitable trust. The estimated value of expected future cash flows is evaluated annually and any change in value is classified as with donor restrictions. The value of perpetual trusts for the year ended December 31, 2022 and 2021 was \$7,051,455 and \$8,829,319, respectively, which includes \$577,022 for both years ended that is included in investments held in endowment on the statement of financial position.

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

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#### NOTE F - CHARITABLE TRUST AGREEMENTS (continued)

UWGC is also the beneficiary of several charitable remainder trusts. Under the terms of these agreements, the beneficiaries designated by the donor receive periodic distributions from the trust for either a specified dollar amount or a specified percentage of the trust's fair market value over the trust's term. Upon termination of the trust, UWGC receives its entire portion of the assets remaining in the trust. The value of charitable remainder trusts for the year ended December 31, 2022 and 2021 was \$8,658,630 and \$10,646,822, respectively.

At the time UWGC is notified of its interest, the present value of the estimated future benefits to be received is recorded as a contribution with donor restrictions and a beneficial interest in charitable trust. Income received from beneficial interests in charitable trusts for the year ended December 31, 2022 and 2021 was \$940,507 and \$1,000,838, respectively. The estimated value of expected future cash flows is evaluated annually and any change in value is classified as with donor restrictions.

#### NOTE G – NOTES RECEIVABLE

On January 1, 2018, UWGC made a \$400,000 investment in United Way Digital Holdings, LLC (UWDH, LLC). On December 31, 2018, the investment interest was assumed by United Way Worldwide (UWW) in exchange for a note receivable for \$400,000 payable to UWGC. The note has an interest rate of 2.72% per annum accrued. The principal will be repaid in four equal installments of \$100,000 starting December 1, 2020, through December 1, 2023. The balance of the note receivable at December 31, 2022 and 2021 was \$100,000, and \$300,000, respectively.

In 2021, UWGC entered into two promissory note agreements with two organizations. The notes were set up for obligations under the defined benefit pension plan (see Note J). The promissory notes are three-year notes with a 5% per annum interest rate. Principal payments are repaid monthly starting December 1, 2021 through November 1, 2024. The balance of the notes receivable as of December 31, 2022 and 2021 was \$235,222, and \$298,771, respectively.

In 2023, one of the promissory note agreements was restructured to an eight-year note with a 3% per annum interest rate.

All notes were deemed collectible as of December 31, 2022 and 2021.

#### NOTE H - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment at December 31, 2022 and 2021:

	Cost	Accumulated Depreciation	Net Book Value
2022			
Land and land improvements	\$ 744,969	\$ (338,581)	\$ 406,388
Buildings and improvements	14,092,801	(4,424,200)	9,668,601
Office furniture and equipment	1,696,118	(1,471,369)	224,749
Vehicles	35,608	(35,608)	-
Projects in process	530,049	-	530,049
Total	<u>\$ 17,099,545</u>	<u>\$ (6,269,758)</u>	<u>\$ 10,829,787</u>

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

#### NOTE H - LAND, BUILDINGS AND EQUIPMENT (continued)

	Cost	Accumulated Depreciation	Net Book Value
2021			
Land and land improvements	\$ 744,969	\$ (333,102)	\$ 411,867
Buildings and improvements	14,177,572	(4,124,386)	10,053,186
Office furniture and equipment	2,036,907	(1,695,585)	341,322
Vehicles	35,608	(35,608)	-
Total	<u>\$ 16,995,056</u>	<u>\$ (6,188,681)</u>	<u>\$ 10,806,375</u>

#### NOTE I – PAYCHECK PROTECTION PROGRAM (PPP) LOAN

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

#### NOTE J - PENSION PLAN

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

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

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

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

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

#### NOTE J - PENSION PLAN (continued)

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

As determined by the Plan's actuary, UWGC is noted as providing more than 5 percent of the total contributions for plan year 2021. At the date the financial statements were issued, the Form 5500 was not available for the plan year ending in 2022.

In 2021, the Plan was sold to an insurance company and all plan assets were transferred at that time. At the end of 2021, the third party held the liability for any underfunded status, therefore, UWGC has no liability. UWGC's termination of the Plan was approved by the Internal Revenue Service and the Pension Benefit Guaranty Corporation and fully transferred the plan administration to the insurance company using a buy-out contract in 2022.

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

Retirement expense for the defined contribution plan for the year ended December 31, 2022 and 2021 was \$135,508 and \$122,696, respectively, and is included in employee benefits expenses. There was no non-elective contribution accrual for 2022 or 2021.

#### NOTE K - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2022 and 2021 are restricted for the following purposes or periods:

	2022	2021
Held as beneficial interest in charitable trusts	\$ 8,658,630	\$ 10,646,822
Perpetual in nature	7,051,455	8,829,319
Various purpose restrictions	4,514,108	4,524,117
Black Led Social Change	921,213	100,000
Project Lift	773,893	793,801
Stable Families	703,200	-
Use in future periods	828,829	1,232,280
Total	<u>\$ 23,451,328</u>	<u>\$ 26,126,339</u>

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



## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

#### NOTE K - NET ASSETS WITH DONOR RESTRICTIONS (continued)

	2022	2021
Expiration of time restrictions	\$ 259,946	\$ 497,611
Satisfaction or purpose restrictions		
Project Lift	567,749	474,123
COVID-19	-	336,388
Success By 6	156,229	200,064
Black Led Social Change	308,695	200,000
Various purpose restrictions	643,738	513,449
Distributions (proceeds are not restricted by donors)		
Beneficial interest in charitable trusts held by others	35,600	35,600
	<u>1,971,957</u>	<u>2,257,235</u>
Restricted-purpose spending-rate distributions and appropriations	<u>712,898</u>	<u>683,974</u>
	<u>\$ 2,684,855</u>	<u>\$ 2,941,209</u>

#### NOTE L - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at December 31, 2022 and 2021 consist of the following:

	2022	2021
Undesignated UWGC net assets as follows		
Amounts invested in land, buildings and equipment, or designated by the Board for such purposes	\$ 12,997,013	\$ 12,869,534
Total Undesignated	<u>12,997,013</u>	<u>12,869,534</u>
UWGC assets designated by the Board as follows:		
Campaign distribution for operating budget	8,158,600	8,373,600
Campaign distribution for undetermined allocations	16,646,521	15,397,747
2020 major donor investments	6,077,639	3,765,000
UWGC program initiatives	132,497	172,779
Board restricted investments	198,674	427,383
Other designations	65,334	73,161
Foundation allocations for operating and capital budgets	1,078,700	1,077,500
Foundation designated for UWGC campaign	6,326,706	7,698,656
Foundation designated for endowment	14,430,502	17,361,550
UWGC operating reserves	2,765,694	1,250,779
2020 major donor investment balance	15,859,105	21,438,798
Total Board Designated	<u>71,739,972</u>	<u>77,036,953</u>
Total	<u>\$ 84,736,985</u>	<u>\$ 89,906,487</u>

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

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#### NOTE M - RELATED PARTY TRANSACTIONS

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

#### NOTE N – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2022 and 2021, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 6,321,240	\$ 16,281,466
Contributions receivable, net	13,344,894	14,241,558
Accounts receivable	515,140	694,961
Investments	50,173,767	41,823,908
Investments held in endowment	20,081,913	24,105,587
Total financial assets	<u>90,436,954</u>	<u>97,147,480</u>
Less Foundation investments unavailable for general expenditure	(1,071,236)	(183,054)
Less board designated amounts not available for general expenditure within one year	<u>(59,604,481)</u>	<u>(66,162,295)</u>
	<u>\$ 29,761,237</u>	<u>\$ 30,802,131</u>

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

The board-designated endowment of \$20,081,913 and \$24,105,587 as of December 31, 2022 and 2021, respectively, is subject to an annual spending rate of 5% as described in Note P. Although UWGC does not intend to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

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

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

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

### NOTE O – INVESTMENTS AND OTHER FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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

#### ***Recurring Measurements***

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis, except those measured at cost or by using Net Asset Value (NAV) per share as a practical expedient as identified in the following, at December 31, 2022 and 2021:

	Fair Value	Fair Value Measurements Using		Investments Measured at NAV (A)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
2022				
Investments				
Common stock	\$ 8,943,096	\$ 8,943,096	\$ -	\$ -
Corporate bonds	30,920,569	-	30,920,569	-
Treasury bonds	1,102,303	-	1,102,303	-
Equity mutual funds	17,207,732	17,207,732	-	-
Fixed income mutual funds	57,564	57,564	-	-
Money market investments	1,125,388	1,125,388	-	-
Pooled debt and equity funds	10,819,796	-	10,721,022	98,774
U.S. government securities	629,164	-	629,164	-
Hedge funds	1,418,896	-	-	1,418,896
Private equity funds	2,287,385	-	-	2,287,385
<b>Total</b>	<b>\$ 74,511,893</b>	<b>\$ 27,333,780</b>	<b>\$ 43,373,058</b>	<b>\$3,805,055</b>
Beneficial interest in charitable trusts	\$ 15,133,063	\$ -	\$ 15,133,063	\$ -

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

#### NOTE O - INVESTMENTS AND OTHER FAIR VALUE MEASUREMENTS (continued)

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

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

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2022.

#### Investments

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

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

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#### NOTE O - INVESTMENTS AND OTHER FAIR VALUE MEASUREMENTS (continued)

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

#### Beneficial Interest in Charitable Trusts

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

#### Alternative Investments

The fair value of alternative investments has been estimated using the net asset value per share of the investments as a practical expedient. Alternative investments held at December 31, 2022 and 2021 consist of the following:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
2022				
Private equity funds	<u>\$ 2,287,385</u>	<u>\$ -</u>	Monthly	45 days
Hedge funds	<u>\$ 1,418,896</u>	<u>\$ -</u>	Quarterly	65 days
2021				
Private equity funds	<u>\$ 2,459,862</u>	<u>\$ -</u>	Monthly	45 days
Hedge funds	<u>\$ 1,558,378</u>	<u>\$ -</u>	Quarterly	65 days

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

#### NOTE P - ENDOWMENT

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

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

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### NOTE P – ENDOWMENT (continued)

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

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

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

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

The composition of net assets by type of endowment fund at December 31, 2022 and 2021 were:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2022			
Donor-restricted endowment funds	\$ -	\$ 4,367,576	\$ 4,367,576
Board-designated endowment funds	20,368,619	-	20,368,619
Total endowment funds	<u>\$ 20,368,619</u>	<u>\$ 4,367,576</u>	<u>\$ 24,736,195</u>
2021			
Donor-restricted endowment funds	\$ -	\$ 5,451,661	\$ 5,451,661
Board-designated endowment funds	24,105,206	-	24,105,206
Total endowment funds	<u>\$ 24,105,206</u>	<u>\$ 5,451,661</u>	<u>\$ 29,556,867</u>

On the Statement of Financial Position, endowment funds are included in cash and cash equivalents and investments held in endowment.

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021

#### NOTE P - ENDOWMENT (continued)

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

	Without Donor Restrictions	With Donor Restrictions	Total
2022			
Endowment net assets, beginning of year	\$ 24,105,206	\$ 5,451,661	\$ 29,556,867
Investment return:			
Investment income	396,709	99,008	495,717
Net appreciation	<u>(3,584,669)</u>	<u>(898,189)</u>	<u>(4,482,858)</u>
Total investment return	(3,187,960)	(799,181)	(3,987,141)
Contributions	733,698	473,807	1,207,505
Appropriation of endowment assets for expenditure	(1,274,002)	(723,098)	(1,997,100)
Other changes	<u>(8,323)</u>	<u>(35,613)</u>	<u>(43,936)</u>
Endowment net assets, end of year	<u>\$ 20,368,619</u>	<u>\$ 4,367,576</u>	<u>\$ 24,736,195</u>
2021			
Endowment net assets, beginning of year	\$ 22,641,221	\$ 5,047,455	\$ 27,688,676
Investment return:			
Investment income	1,429,872	328,964	1,758,836
Net appreciation	<u>1,475,008</u>	<u>339,175</u>	<u>1,814,183</u>
Total investment return	2,904,880	668,139	3,573,019
Contributions	542,559	469,415	1,011,974
Appropriation of endowment assets for expenditure	(1,313,027)	(697,748)	(2,010,775)
Other changes	<u>(670,427)</u>	<u>(35,600)</u>	<u>(706,027)</u>
Endowment net assets, end of year	<u>\$ 24,105,206</u>	<u>\$ 5,451,661</u>	<u>\$ 29,556,867</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level UWGC is required to retain as a fund of perpetual duration pursuant to donor stipulation. No deficiencies of this nature are reported at December 31, 2022 and 2021.

## **UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2022 AND 2021**

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#### **NOTE P - ENDOWMENT** (continued)

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

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

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

#### **NOTE Q - CONCENTRATIONS**

Contributions from one corporate donor and its employees were approximately 23% and 24% of total contributions revenue in 2022 and 2021, respectively.

#### **NOTE R - CONTINGENCIES**

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

#### **NOTE S - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 15, 2023, which is the date the consolidated financial statements were available to be issued.



## **SUPPLEMENTARY INFORMATION**

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATING SCHEDULE - FINANCIAL POSITION INFORMATION  
December 31, 2022

	UWGC			UWGC Foundation		Eliminating Entries		Consolidated Totals			
	Without Donor Restrictions		With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions		With Donor Restrictions	Totals
	Operating	Custodial						Operating	Custodial		
<b>ASSETS</b>											
Cash and cash equivalents	5,834,090	\$ 1,939,482	\$ 1,607,794	\$ 487,150	\$ 398,074	\$ -	\$ -	\$ 6,321,240	\$ 1,939,482	\$ 2,005,868	\$ 10,266,590
Contributions receivable	16,956,752	-	1,333,164	-	-	-	-	16,956,752	-	1,333,164	18,289,916
Less allowance for uncollectible	(3,611,858)	-	-	-	-	-	-	(3,611,858)	-	-	(3,611,858)
Grants and other receivables	495,240	-	2,078,700	60,179	-	(40,279)	(1,078,700)	515,140	-	1,000,000	1,515,140
Investments	49,102,531	-	-	1,071,236	3,392,497	-	-	50,173,767	-	3,392,497	53,566,264
Investments held in endowment	-	-	-	20,081,913	577,022	-	-	20,081,913	-	577,022	20,658,935
Beneficial interest in charitable trusts	-	-	965,937	-	14,167,126	-	-	-	-	15,133,063	15,133,063
Interest in assets at other foundations	-	-	-	286,694	-	-	-	286,694	-	-	286,694
Other current assets	238,853	-	-	348,336	9,714	-	-	587,189	-	9,714	596,903
Notes receivable	335,222	-	-	-	-	-	-	335,222	-	-	335,222
Land, buildings and equipment, net	10,829,787	-	-	-	-	-	-	10,829,787	-	-	10,829,787
<b>TOTAL ASSETS</b>	<b>\$ 80,180,617</b>	<b>\$ 1,939,482</b>	<b>\$ 5,985,595</b>	<b>\$ 22,335,508</b>	<b>\$ 18,544,433</b>	<b>\$ (40,279)</b>	<b>\$ (1,078,700)</b>	<b>\$ 102,475,846</b>	<b>\$ 1,939,482</b>	<b>\$ 23,451,328</b>	<b>\$ 127,866,656</b>
<b>LIABILITIES</b>											
Grants and designations payable	\$ 15,035,499	\$ -	\$ -	\$ 1,578,300	\$ -	\$ (1,118,979)	\$ -	\$ 15,494,820	\$ -	\$ -	\$ 15,494,820
Accounts payable	801,252	-	-	-	-	-	-	801,252	-	-	801,252
Accrued expenses	705,584	-	-	-	-	-	-	705,584	-	-	705,584
Capital lease obligation	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	737,205	1,939,482	-	-	-	-	-	737,205	1,939,482	-	2,676,687
<b>TOTAL LIABILITIES</b>	<b>17,279,540</b>	<b>1,939,482</b>	<b>-</b>	<b>1,578,300</b>	<b>-</b>	<b>(1,118,979)</b>	<b>-</b>	<b>17,738,861</b>	<b>1,939,482</b>	<b>-</b>	<b>19,678,343</b>
<b>NET ASSETS</b>											
Without donor restrictions											
Undesignated	12,997,013	-	-	-	-	-	-	12,997,013	-	-	12,997,013
Designated by the Board	49,904,064	-	-	20,757,208	-	1,078,700	-	71,739,972	-	-	71,739,972
Total without donor restrictions	62,901,077	-	-	20,757,208	-	1,078,700	-	84,736,985	-	-	84,736,985
With donor restrictions											
Perpetual in nature	-	-	965,937	-	6,085,518	-	-	-	-	7,051,455	7,051,455
Purpose restrictions	-	-	3,639,716	-	12,458,915	-	(277,500)	-	-	15,821,131	15,821,131
Time-restricted for future periods	-	-	1,379,942	-	-	-	(801,200)	-	-	578,742	578,742
Total with donor restrictions	-	-	5,985,595	-	18,544,433	-	(1,078,700)	-	-	23,451,328	23,451,328
<b>TOTAL NET ASSETS</b>	<b>62,901,077</b>	<b>-</b>	<b>5,985,595</b>	<b>20,757,208</b>	<b>18,544,433</b>	<b>1,078,700</b>	<b>(1,078,700)</b>	<b>84,736,985</b>	<b>-</b>	<b>23,451,328</b>	<b>108,188,313</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 80,180,617</b>	<b>\$ 1,939,482</b>	<b>\$ 5,985,595</b>	<b>\$ 22,335,508</b>	<b>\$ 18,544,433</b>	<b>\$ (40,279)</b>	<b>\$ (1,078,700)</b>	<b>\$ 102,475,846</b>	<b>\$ 1,939,482</b>	<b>\$ 23,451,328</b>	<b>\$ 127,866,656</b>

See independent auditors' report

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATING SCHEDULE - ACTIVITIES INFORMATION  
For the Year Ended December 31, 2022

	UWGC		UWGC Foundation		Eliminating Entries		Consolidated Totals		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Totals
<b>PUBLIC SUPPORT &amp; REVENUE</b>									
Gross campaign results (2022/2023)	\$ 19,266,012	\$ 1,364,480	\$ -	\$ -	\$ (408,600)	\$ -	\$ 18,857,412	\$ 1,364,480	\$ 20,221,892
Less donor designations	(5,177,202)	-	-	-	-	-	(5,177,202)	-	(5,177,202)
Less provision for uncollectible	(1,817,000)	-	-	-	-	-	(1,817,000)	-	(1,817,000)
Net campaign revenue (2022/2023)	12,271,810	1,364,480	-	-	(408,600)	-	11,863,210	1,364,480	13,227,690
Gross campaign results (2021/2022)	3,818,853	351,143	-	-	-	-	3,818,853	351,143	4,169,996
Change in provision for uncollectible	636,042	-	-	-	-	-	636,042	-	636,042
Net campaign revenue (2021/2022)	4,454,895	351,143	-	-	-	-	4,454,895	351,143	4,806,038
Gross campaign results (2020/2021)	478,352	-	-	-	-	-	478,352	-	478,352
Change in provision for uncollectible	1,783,284	-	-	-	-	-	1,783,284	-	1,783,284
Net campaign revenue (2020/2021)	2,261,636	-	-	-	-	-	2,261,636	-	2,261,636
Other contributions	1,037,974	1,564,172	307,276	-	(56,496)	(1,078,700)	1,288,754	485,472	1,774,226
Designations from other United Ways	209,050	-	-	-	-	-	209,050	-	209,050
Service fees	266,705	-	-	-	(35,600)	-	231,105	-	231,105
Grants and contracts	14,807,693	1,902,947	-	-	-	-	14,807,693	1,902,947	16,710,640
Income on beneficial interest in charitable trusts	-	-	466,700	473,807	-	-	466,700	473,807	940,507
Net investment return	1,106,025	-	360,233	81,552	-	-	1,466,258	81,552	1,547,810
Net realized gain/(loss) on investments	(499,288)	-	39,170	17,458	-	-	(460,118)	17,458	(442,660)
Net unrealized gain/(loss) on investments	(3,286,758)	-	(3,584,669)	(898,189)	-	-	(6,871,427)	(898,189)	(7,769,616)
Fair value change of beneficial interest in charitable trusts	-	(284,651)	-	(3,484,175)	-	-	-	(3,768,826)	(3,768,826)
Donated materials and services	183,500	-	-	-	-	-	183,500	-	183,500
Miscellaneous income	323,433	-	(5,570)	-	-	-	317,863	-	317,863
Net assets released from restrictions	3,023,873	(3,023,873)	758,711	(758,711)	(1,097,729)	1,097,729	2,684,855	(2,684,855)	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>36,160,548</b>	<b>1,874,218</b>	<b>(1,658,149)</b>	<b>(4,568,258)</b>	<b>(1,598,425)</b>	<b>19,029</b>	<b>32,903,974</b>	<b>(2,675,011)</b>	<b>30,228,963</b>
<b>EXPENSES</b>									
Program services									
Grants and distributions	31,862,710	-	1,997,100	-	(1,543,696)	-	32,316,114	-	32,316,114
Less donor designations	(5,177,202)	-	-	-	-	-	(5,177,202)	-	(5,177,202)
Net grants and distributions	26,685,508	-	1,997,100	-	(1,543,696)	-	27,138,912	-	27,138,912
Other program services	4,879,117	-	-	-	-	-	4,879,117	-	4,879,117
Total program services	31,564,625	-	1,997,100	-	(1,543,696)	-	32,018,029	-	32,018,029
Supporting services	6,044,825	-	46,322	-	(35,700)	-	6,055,447	-	6,055,447
<b>TOTAL EXPENSES</b>	<b>37,609,450</b>	<b>-</b>	<b>2,043,422</b>	<b>-</b>	<b>(1,579,396)</b>	<b>-</b>	<b>38,073,476</b>	<b>-</b>	<b>38,073,476</b>
<b>CHANGE IN NET ASSETS</b>	<b>(1,448,902)</b>	<b>1,874,218</b>	<b>(3,701,571)</b>	<b>(4,568,258)</b>	<b>(19,029)</b>	<b>19,029</b>	<b>(5,169,502)</b>	<b>(2,675,011)</b>	<b>(7,844,513)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>64,349,979</b>	<b>4,111,377</b>	<b>24,458,779</b>	<b>23,112,691</b>	<b>1,097,729</b>	<b>(1,097,729)</b>	<b>89,906,487</b>	<b>26,126,339</b>	<b>116,032,826</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 62,901,077</b>	<b>\$ 5,985,595</b>	<b>\$ 20,757,208</b>	<b>\$ 18,544,433</b>	<b>\$ 1,078,700</b>	<b>\$ (1,078,700)</b>	<b>\$ 84,736,985</b>	<b>\$ 23,451,328</b>	<b>\$ 108,188,313</b>

See independent auditors' report

**UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2022**

<u>Federal grantor/passthrough grantor/program title</u>	<u>Assistance Listing Number</u>	<u>Pass Through #</u>	<u>Federal Expenditures</u>
Department of Homeland Security			
Emergency Food and Shelter National Board Program	97.024		<u>25,855</u>
Total Department of Homeland Security			<u>25,855</u>
Department of Treasury			
Volunteer Income Tax Assistance (VITA) Matching Grant	21.009		120,216
Department of Treasury			
City of Cincinnati - American Rescue Plan			
Coronavirus Local Fiscal Recovery Fund	21.027		60,362
Department of Treasury			
Board of County Commissioners, Hamilton County, OH			
Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>6,314,578</u>
Total Department of Treasury			<u>6,495,156</u>
Department of Health and Human Services			
Medical Assistance Program	93.778		14,292
Department of Health and Human Services			
Ohio Department of Jobs and Family Services			
United Way of Central Ohio			
477 Cluster			
Temporary Assistance for Needy Families	93.558	G-2021-17-0444	<u>221,626</u>
Total Department of Health and Human Services			<u>235,918</u>
			<u>\$ 6,756,928</u>

See independent auditors' report

## **UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2022**

#### **NOTE A - BASIS OF PRESENTATION**

The schedule of expenditures of federal awards includes the federal grant activity of United Way of Greater Cincinnati and Subsidiary (UWGC) for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented on this schedule may differ from those amounts presented in, or used in, the preparation of the basic financial statements.

#### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting in accordance with generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### **NOTE C - INDIRECT COST RATE**

UWGC has elected not to use the 10% de minimus indirect cost rate allowed under Uniform Guidance.

#### **NOTE D - SUBRECIPIENT CONSIDERATION**

Under the Department of the Treasury definition of subrecipient, UWGC provided no federal awards to subrecipients.

See independent auditors' report

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
United Way of Greater Cincinnati and Subsidiary

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 Greater Cincinnati and Subsidiary, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 15, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered United Way of Greater Cincinnati and Subsidiary's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of Greater Cincinnati and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of Greater Cincinnati and Subsidiary'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 of Greater Cincinnati and Subsidiary's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
(Continued)**

**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 of Greater Cincinnati and Subsidiary'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 of Greater Cincinnati and Subsidiary's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Barnes, Dennig & Co., Ltd.*

June 15, 2023  
Cincinnati, Ohio

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

To the Board of Directors of  
United Way of Greater Cincinnati and Subsidiary

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

***Opinion on Each Major Federal Program***

We have audited United Way of Greater Cincinnati and Subsidiary's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of United Way of Greater Cincinnati and Subsidiary's major federal programs for the year ended December 31, 2022. United Way of Greater Cincinnati and Subsidiary's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, United Way of Greater Cincinnati and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY THE UNIFORM GUIDANCE  
(CONTINUED)**

***Auditors' Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance

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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.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY THE UNIFORM GUIDANCE  
(CONTINUED)**

***Report on Internal Control over Compliance (Continued)***

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

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

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

*Barnes, Dennig & Co., Ltd.*

June 15, 2023  
Cincinnati, Ohio

**UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended December 31, 2022**

**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 that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None noted
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes  X  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None noted

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? \_\_\_\_\_ Yes  X  No

***Identification of Major Programs***

CFDA No.	Name of Federal Programs or Clusters
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21.027	Coronavirus State and Local Fiscal Recovery Fund
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Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes  X  No

**Section II – Financial Statement Findings**

No matters are reportable

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

No matters are reportable

**UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Year Ended December 31, 2022**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters are reportable