UNITED WAY OF FAIRFIELD COUNTY

Financial Statements and Supplementary Information

Year ended June 30, 2023

CPA Group, LTD

UNITED WAY OF FAIRFIELD COUNTY

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CPA Group, LTD

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
United Way of Fairfield County
Lancaster, Ohio

Opinion

We have audited the financial statements of United Way of Fairfield County (the Agency), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United Way of Fairfield County as of June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency 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.

Other Matter

The statement of financial position of the Agency, as of June 30, 2022, was audited by other auditors, whose report, dated December 7, 2022, expressed an unmodified opinion on the statement.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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 financial statements as a whole. The supplemental schedule of agency allocations 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 was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

SEO CPA Group, LTD

SEO CPA Group, LTD
Zanesville, Ohio

January 5, 2024

United Way of Fairfield County
Statements of Financial Position
As of June 30, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 682,259	$ 810,028
Annual campaign pledges receivable, net	414,003	506,300
Grants receivable	6,160	6,874
Accounts receivable	-	6,329
Prepaid expenses	8,570	10,285
Endowment funds	1,072,494	885,298
Total current assets	2,183,486	2,225,114
Fixed Assets		
Furniture and equipment	52,358	52,358
Leasehold improvements	3,842	3,842
Total fixed assets	56,200	56,200
Less: Accumulated depreciation	(54,455)	(52,584)
Net fixed assets	1,745	3,616
Total Assets	$ 2,185,231	$ 2,228,730
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 6,751	$ 9,160
Accrued payroll related withholdings	305	904
Accrued vacation	5,277	1,732
Accrued sponsorship commitments	14,000	16,300
Accrued special grant commitments	9,193	6,900
Community impact commitments	63,520	99,696
Due to other United Way counties and nonlocal charities	14,229	16,318
Total current liabilities	113,275	151,010
Net assets		
Net assets without donor restriction	654,225	806,161
Net assets with donor restriction	1,417,731	1,271,559
Total net assets	2,071,956	2,077,720
Total Liabilities and Net Assets	$ 2,185,231	$ 2,228,730

See independent auditors' report and notes to the financial statements.

United Way of Fairfield County
Statement of Activities
For the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Campaign Support			
Current year campaign support for future allocation period	$ -	$ 1,200,639	$ 1,200,639
Out of area direct designations	-	87,925	87,925
Less: Provision for uncollectible pledges	-	(121,133)	(121,133)
Net support - current campaign	-	1,167,431	1,167,431
Prior year campaign support released from restriction in current year	1,022,636	(1,022,636)	-
Provision for uncollectible pledges	99,522	(99,522)	-
Net assets released from time restriction	1,122,158	(1,122,158)	-
Total Campaign Support	1,122,158	45,273	1,167,431
Operating Revenue			
Non-campaign contributions	82,872	40,561	123,433
Event income	19,067	-	19,067
Day of Action	1,255	-	1,255
Community Care Day	6,100	-	6,100
TCE income	20,535	-	20,535
VITA program income	19,752	-	19,752
Imagination library	90,191	-	90,191
Feeding our future	30,000	-	30,000
Other income	444	-	444
In-kind	12,540	-	12,540
Released from restriction	714	(714)	-
Total Operating Revenue	283,470	39,847	323,317
Non-Operating Revenue and Gains			
Interest and dividend income	16,712	10,728	27,440
Gain on investments, net of investment fees	32,465	50,324	82,789
Total Non-Operating Revenue and Gains	49,177	61,052	110,229
Total Support and Revenue	1,454,805	146,172	1,600,977
Expenses			
Program services expenses	1,339,587	-	1,339,587
Supporting services expenses			
Management and general	87,375	-	87,375
Fundraising and development	179,779	-	179,779
Total supporting services expenses	267,154	-	267,154
Total Expenses	1,606,741	-	1,606,741
Change In Net Assets	(151,936)	146,172	(5,764)
Beginning Net Assets	806,161	1,271,559	2,077,720
Ending Net Assets	$ 654,225	$ 1,417,731	$ 2,071,956

United Way of Fairfield County
Statement of Functional Expenses
For the year ended June 30, 2023

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising and Development	Total
Salaries	$ 129,286	$ 45,181	$ 82,267	$ 256,734
Payroll taxes and benefits	15,082	7,212	15,271	37,565
Employee benefits	1,900	1,196	2,533	5,629
Designations and award allocations	1,022,636	-	-	1,022,636
Program expenses	142,429	-	-	142,429
Rent	2,822	2,831	2,822	8,475
Professional services	8,355	8,115	12,092	28,562
Information technology	1,673	4,617	5,129	11,419
Consulting fees	-	3,780	-	3,780
Insurance	-	2,159	-	2,159
Dues	7,221	352	7,407	14,980
Office expenses	6,380	5,960	5,978	18,318
Advertising	-	3,326	17,629	20,955
Bank fees	52	-	864	916
Events	520	-	26,144	26,664
Conference, meeting, travel	1,231	775	1,643	3,649
Depreciation	-	1,871	-	1,871
Total Expenses on the Statement of Activities	$ 1,339,587	$ 87,375	$ 179,779	$ 1,606,741

United Way of Fairfield County
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	(5,764)
Adjustments to reconcile change in total net assets to net cash from operating activities:		
Depreciation		1,871
Net (gain) on investments		(83,279)
(Increase) decrease in operating assets:		
Annual campaign pledges receivable, net		92,297
Grants receivable		714
Accounts receivable		6,329
Prepaid expenses		1,715
Increase (decrease) in operating liabilities:		
Accounts payable		(2,409)
Accrued payroll related withholdings		(599)
Accrued vacation		3,545
Accrued sponsorship commitments		(2,300)
Accrued special grant commitments		2,293
Community impact commitments		(36,176)
Due to other United Way counties and nonlocal charities		(2,089)
Net cash (used for) operating activities		(23,852)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings reinvested		(18,012)
Investment contributions reinvested		(85,905)
Net cash (used for) investing activities		(103,917)
NET (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH		(127,769)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF PERIOD		810,028
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD	$	682,259

See independent auditors' report and notes to the financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature and Scope of Agency
United Way of Fairfield County ("the Agency") was incorporated under the laws of the State of Ohio on October 9, 1940, as a nonprofit Agency to stimulate interest in programs and prompt the general welfare of charitable, educational, character building, health and welfare, and social agencies in Fairfield County. The Agency receives its source of revenue primarily from campaign contributions.

Basis of Accounting and Financial Statement Presentation
The financial statements of the Agency have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

> *Net Assets without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Agency. These net assets may be used at the discretion of the Agency's management and the board.
>
> *Net Assets with Donor Restrictions* – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature and will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Restricted revenues whose restrictions are met in the same reporting period are shown as unrestricted revenues. All expenses and net losses other than losses on donor-restricted endowment investments are reported as decreases in net assets without donor restrictions. Net gains on donor-restricted endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Financial Instruments
The carrying amount of the Agency's cash and cash equivalents, annual campaign pledges receivables, other assets, accounts payable, and other liabilities approximate fair value primarily because of the short maturity of these instruments.

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Agency considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Pledge Receivable
Contributions are recognized when the donor makes a promise to give to the Agency that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Pledge receivables are shown at their net realizable value. Uncollectible accounts are charged to operations during the period in which they are determined to be uncollectible based on an average of actual uncollected accounts.

Prepaid Expenses
Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid expenses using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expense is reported in the fiscal year in which the services are consumed.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments
Investments, including money market funds, corporate bonds, stocks, partnerships, mutual funds, certificates of deposit, and government agency securities are stated at fair value based on quoted market values. Investments in cash management funds are stated at cost, which approximates fair value. Net realized and unrealized gains and losses on investments are reflected in the statement of activities.

Fixed Assets
Property and equipment are recorded at cost. Repairs and maintenance are charged to operations when incurred, and additions and improvements are capitalized. The Agency capitalizes assets with costs exceeding $1,000. Upon retirement or other disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts with the resulting gain or loss included in the statement of activities.

Depreciation is computed using the straight-line method over the estimated useful lives of the asset as follows:

Furniture and equipment	3-7 years
Leasehold improvements	10 years

Depreciation expense for the year ended June 30, 2023 was $1,871.

Donated Assets
Donated assets are recorded at their estimated fair market value at the date of the donation. When sold, the fair market value at the date of the donation is used as the basis of the asset. Fair value estimates are based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility. The Agency utilizes or monetizes these nonfinancial assets depending on the circumstances. The Agency recognized no contributed nonfinancial assets during the year ended June 30, 2023.

Revenue Recognition
Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Operating revenue is recognized in the period that services are rendered or associated costs are incurred.

Donated Services
The Agency received donated services from a variety of unpaid volunteers assisting the Agency with specific assistance programs, campaign solicitations and various committee assignments. No amounts for these services have been recognized in the accompanying statements of activities because the services performed by volunteers do not require specialized skills. Contributed services that do meet the criteria for recognition are recorded at fair value in the period to which the underlying services related as in-kind contributions and expenses on the statement of activities. Fair value estimates are based upon estimates of fair market values that would be received for the services in their principal market.

Advertising Costs
Advertising costs are expensed as incurred and totaled $20,955 for the year ended June 30, 2023.

Functional Expenses
The costs of program and supporting services 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited, including salaries; payroll taxes and benefits; employee benefits; rent; professional services; information technology; dues; office expenses; advertising; bank fees; events; and conference, meeting, travel, which are allocated on the basis of estimates of time and effort or usage.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Risks and Uncertainties

The Agency 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 such changes could materially affect the amounts reported in the statements of financial position.

Income Taxes

The Agency is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes is reflected in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Agency and recognize a tax liability (or asset) if the Agency has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Agency has analyzed the tax positions taken by the Agency, and has concluded that as of June 30, 2023, there are no uncertain positions taken or expected to be taken that would require recognition (or asset) or disclosure in the financial statements. The Agency is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Agency believes it is no longer subject to income tax examinations for years prior to 2019.

Concentration of Credit Risk

The Agency operates in Fairfield County, Ohio. Its major funding sources are located in Fairfield and surrounding counties. The Agency and funding sources are dependent upon the economic conditions of the area.

The Agency maintains its cash balances at financial institutions that may at various times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Agency does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Change in Accounting Principle

In February 2016, the FASB issued Leases (Topic 842, ASU 2016-03). The guidance in this Update supersedes Topic 840, Leases. The amendments in this Update recognize lease assets and lease liabilities on the balance sheet and disclose key information about leasing arrangements. A lessee should recognize in the statement of financial position a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term, unless the term of the lease is 12 months or less. The Update specifies the requirements of lessees for recognition and classification for financial statements purposes for finance leases and operating leases. For lessors, the vast majority of operating leases should remain classified as operating leases, and lessors should continue to recognize lease income for those leases on a generally straight-line basis over the lease term. For nonpublic entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021; however, due to COVID-19, certain entities that have not yet issued their financial statements may elect to adopt the guidance for annual reporting periods beginning after December 15, 2021, and for interim reporting periods within annual reporting periods beginning after December 15, 2022. The Agency adopted the pronouncement as of July 1, 2022. There was no cumulative effect adjustment to the opening balance of net assets required.

NOTE B – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	$	682,259
Annual campaign pledges receivable, net		414,003
Grants receivable		6,160
Endowment funds		1,072,494
Total financial assets		2,174,916
Less:		
Donor restricted cash		362,849
Donor restricted receivables		420,163
Donor restricted endowments		634,719
Board restricted endowments		437,775
Board restricted money market		187,813
Amount available for general expenditures within one year	$	131,597

The Agency's goal is generally to maintain financial assets to meet 12 months of operating expenses, including allocations to partner agencies. As part of its liquidity plan, excess cash can be invested in short-term investments, including money market accounts and certificates of deposit, as well as long-term investments.

Donor restricted assets consists of campaign revenue designated for future agency allocations, grants, the Campaign Endowment Fund, the Fairfield Affordable Housing Fund, and the Sherry Orlando Endowment Fund.

Board restricted assets consist of certain funds designated by the Board to be used for programs that are designated to promote the mission of the Agency and the Stifel money market which can be used for current operations.

NOTE C – ANNUAL CAMPAIGN PLEDGES RECEIVABLE

A summary of annual campaign pledges, annual campaign pledges receivable, and allowance for uncollectible pledges at June 30, 2023 and 2022 is as follows:

	June 30, 2023			
Pledges from the:	Original amounts of pledges	Pledges receivable	Allowance for uncollectible pledges	Net pledges receivable
2023 Campaign	$ 287,226	$ 184,035	$ 17,346	$ 166,689
2022 Campaign	1,357,171	327,598	80,284	247,314
	$ 1,644,397	$ 511,633	$ 97,630	$ 414,003

	June 30, 2022			
Pledges from the:	Original amounts of pledges	Pledges receivable	Allowance for uncollectible pledges	Net pledges receivable
2022 Campaign	$ 96,464	$ 258,881	$ 80,284	$ 178,597
2021 Campaign	991,134	346,941	19,238	327,703
	$ 1,087,598	$ 605,822	$ 99,522	$ 506,300

The funding for agency allocations and grants is awarded on a fiscal year basis.

NOTE D – ENDOWMENT FUND

The Agency's endowments consist of funds designated by donors and the Agency's Board to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Agency's endowment funds are held by the Fairfield County Foundation.

The United Way Campaign Endowment Fund is donor restricted and will provide an annual gift to the campaign. The Sherry Orlando Endowment Fund is donor restricted and will be used to make an annual gift to the Agency. The Fairfield Affordable Housing Program Fund is donor restricted for youth housing.

The United Way Investment Fund is board restricted for emergency reserves and can be used to support the growth and prosperity of the Agency. The Live United Program Fund is board restricted to be used for programs that help achieve the Agency's bold goals in the areas of education, income and health.

The Agency has adopted investment and spending policies, approved by the Board of Directors, that attempt to provide a predictable stream of funding for the Agency's operations while maintaining the purchasing power of those endowment assets over the long-term. Endowment assets held by Fairfield County Foundation are invested in a well-diversified mix that is intended to result in lower volatility and risk of loss of principal while providing adequate investment return and liquidity.

The following table represents the changes in endowment net assets at June 30, 2023 and 2022:

	United Way Campaign Endowment Fund	Sherry Orlando Endowment Fund	Fairfield Affordable Housing Program	United Way Investment Fund	Live United Program
Balance, December 31, 2020	$ -	$ 13,550	$ -	$ -	$ -
Contributions	475,135	6,000	123,257	319,905	100,000
Interest and dividends	5,937	450	1,929	5,005	1,610
Draws	(3,000)	(438)	-	-	-
Fees	(2,038)	(283)	(541)	(2,529)	(454)
Gains (losses)	(69,421)	(2,078)	(20,027)	(51,870)	(14,801)
Balance, June 30, 2022	$ 406,613	$ 17,201	$ 104,618	$ 270,511	$ 86,355
Contributions	43,235	-	-	113	40,561
Interest and dividends	8,329	338	2,061	5,321	1,963
Draws	-	-	-	-	-
Fees	(2,796)	(200)	(675)	(3,146)	(682)
Gains (losses)	42,026	1,685	10,284	26,501	10,278
Balance, June 30, 2023	$ 499,407	$ 19,024	$ 116,288	$ 299,300	$ 138,475

An allocation of types of investments, percentages held in each type, and approximate fair market value (FMV) amounts invested in each type at June 30, 2023 follows:

	United Way Endowment Fund		Sherry Orlando Endowment Fund		Fairfield Affordable Housing Program	
	FMV	Percent	FMV	Percent	FMV	Percent
Government agencies	$ 1,698	0.34%	$ 65	0.34%	$ 395	0.34%
Corporate bonds	41,700	8.35%	1,589	8.35%	9,710	8.35%
Stocks	83,102	16.64%	3,166	16.64%	19,350	16.64%
Partnerships	1,798	0.36%	68	0.36%	419	0.36%
Certificates of deposit	1,398	0.28%	53	0.28%	326	0.28%
Mutual funds	328,959	65.87%	12,531	65.87%	76,599	65.87%
Money markets	40,752	8.16%	1,552	8.16%	9,489	8.16%
Total	$ 499,407	100.00%	$ 19,024	100.00%	$ 116,288	100.00%

NOTE D – ENDOWMENT FUND (CONTINUED)

An allocation of types of investments, percentages held in each type, and approximate fair market value (FMV) amounts invested in each type at June 30, 2023 follows (Continued):

	United Way Investment Fund		Live United Program	
	FMV	Percent	FMV	Percent
Government agencies	$ 1,018	0.34%	$ 471	0.34%
Corporate bonds	24,992	8.35%	11,563	8.35%
Stocks	49,803	16.64%	23,041	16.64%
Partnerships	1,077	0.36%	498	0.36%
Certificates of deposit	838	0.28%	388	0.28%
Mutual funds	197,149	65.87%	91,214	65.87%
Money markets	24,423	8.16%	11,300	8.16%
Total	$ 299,300	100.00%	$ 138,475	100.00%

An allocation of types of investments, percentages held in each type, and approximate fair market value (FMV) amounts invested in each type at June 30, 2022 follows:

	United Way Endowment Fund		Sherry Orlando Endowment Fund		Fairfield Affordable Housing Program	
	FMV	Percent	FMV	Percent	FMV	Percent
Corporate bonds	$ 20,819	5.12%	$ 881	5.12%	$ 5,357	5.12%
Stocks	67,986	16.72%	2,876	16.72%	17,492	16.72%
Partnerships	1,626	0.40%	69	0.40%	418	0.40%
Certificates of deposit	81	0.02%	3	0.02%	21	0.02%
Mutual funds	292,355	71.90%	12,367	71.90%	75,220	71.90%
Money markets	23,746	5.84%	1,005	5.84%	6,110	5.84%
Total	$ 406,613	100.00%	$ 17,201	100.00%	$ 104,618	100.00%

	United Way Investment Fund		Live United Program	
	FMV	Percent	FMV	Percent
Corporate bonds	$ 13,851	5.12%	$ 4,422	5.12%
Stocks	45,229	16.72%	14,439	16.72%
Partnerships	1,082	0.40%	345	0.40%
Certificates of deposit	54	0.02%	17	0.02%
Mutual funds	194,497	71.90%	62,089	71.90%
Money markets	15,798	5.84%	5,043	5.84%
Total	$ 270,511	100.00%	$ 86,355	100.00%

NOTE E – FAIR VALUE MEASUREMENT

Generally accepted accounting principles define fair value, and establish a framework for measuring fair value that categorizes and prioritizes the sources used to measure and disclose fair values. Fair value is defined as 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 (an exit price). A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

NOTE E – FAIR VALUE MEASUREMENT (CONTINUED)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
Level 2	Inputs to the valuation methodology include: • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable market data for the asset or liability; • inputs that are derived principally from or corroborated by observable market data. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Common stocks, equities, corporate bonds and notes, and partnerships: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares held at year end.

Certificates of deposit and money markets: Valued at cost plus earnings accrued, which approximates fair value.

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

The following tables present the Agency's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2023 and 2022, respectively. The Agency had no recurring Level 2 or Level 3 assets or liabilities during 2023 and 2022.

	Level 1	
	2023	2022
Government agencies	$ 3,647	$ -
Corporate bonds	89,554	45,330
Stocks	178,462	148,022
Partnerships	3,860	3,540
Certificates of deposit	3,003	176
Mutual funds	706,452	636,528
Money markets	87,516	51,702
Total	$ 1,072,494	$ 885,298

NOTE F – SPECIAL GRANT COMMITMENTS

The Agency committed to sponsor tax programs for low-income and elderly county residents and to sponsor a program for the well-being of children and families through special grants. However, there are some situations when the Agency's special grants are not paid during the year. At June 30, 2023 and 2022, the unexpended agency commitments for Agency special grants were $9,193 and $6,900, respectively.

NOTE G – COMMUNITY IMPACT COMMITMENTS

The Agency administers Dolly Parton's Imagination Library, an early literacy program for children ages birth to five. The Agency also administers the Feeding our Future program to feed elementary school aged children at risk for food scarcity once a month during the school year. These programs are funded through sponsorships and grants. At June 30, 2023 and 2022, the unexpended agency commitments for these programs were $63,520 and $99,696, respectively.

NOTE H – DONOR DESIGNATION – OTHER UNITED WAY COUNTIES AND NONLOCAL CHARITIES

The Agency receives revenue for other United Way Counties and nonlocal charities. Current year campaign revenues designated by donors to other United Way counties and nonlocal charities are disbursed in the following year. For the year ended June 30, 2023, designations paid out were $16,840. Donor designations unpaid at June 30, 2023 and 2022 are $14,229 and $16,318, respectively. These proceeds are included on the statements of financial position as Due to other United Way counties and nonlocal charities. These amounts are net of administrative fees charged by the United Way of Fairfield County.

NOTE I – OUT OF AREA DIRECT DESIGNATIONS

Nationwide offers a match for all employee donations. Employees are permitted to designate to nonprofits other than United Way. Payments to those nonprofits are made directly by Nationwide. However, Nationwide still pays the corporate match to the employee's local United Way. Local United Ways report the donations directly designated as revenue and as an expense but do not collect nor initiate the payments. During the year ended June 30, 2023, out of area direct designations amounted to $87,925.

NOTE J – LEASES

Practical Expedients
The Agency has elected the practical expedient not to reassess whether any expired or existing contracts are or contain leases, the lease classification for any expired or existing leases, and initial direct costs for any existing leases. As a result, all leases classified as capital leases in accordance with ASC 840 will be classified as finance leases, and all leases classified as operating leases in accordance with ASC 840 will be classified as operating leases.

The Agency has elected the practical expedient to account for short-term leases (12-month term or less) by recognizing the lease payments in the change in net assets on a straight-line basis over the term of the lease.

Short-Term Leases
The Agency leases office space from the Lancaster City School District of Lancaster, Ohio. A new lease was entered into effective July 1, 2020 to June 30, 2021 at $2,099 per quarter. This lease was renewed effective July 1, 2021 to June 30, 2022 at $2,099 per quarter and is renewable for an additional period at the option of the parties and at a lease rate as agreed to between the parties. A lease modification was entered into on January 1, 2022 for additional office space at $1,014 per quarter through June 30, 2022. On May 24, 2022, a new lease was entered into effective July 1, 2022 through June 30, 2023 at $4,772 per quarter and is renewable for an additional period at the option of the parties and at a lease rate as agreed to between the parties. On June 27, 2023, a lease was entered into effective July 1, 2023 through June 30, 2024 at $4,772 per quarter and is renewable for an additional period at the option of the parties and at a lease rate as agreed to between the parties.

The Agency leases a copier with a commencement date in September 2019 and 60 monthly payments of $157. While the remaining lease term exceeds 12 months, management has elected to treat the agreement as a short-term lease due to the immaterial remaining value of the associated right-of-use asset and lease liability.

The Agency leases a postage meter with a commencement date in March 2021 and 60 monthly payments of $41. While the remaining lease term exceeds 12 months, management has elected to treat the agreement as a short-term lease due to the immaterial remaining value of the associated right-of-use asset and lease liability.

NOTE J – LEASES (CONTINUED)

Short-Term Leases (Continued)
Rent paid for short-term leases during the year ended June 30, 2023, was $10,899 and is recorded in rent and office expenses on the statement of functional expenses.

Future minimum lease payments associated with deemed short-term leases are as follows:

June 30,		
2024	$	21,459
2025		647
2026		286
Total	$	22,392

NOTE K – RETIREMENT PLAN

For all full-time employees who have been employed for one year, United Way contributes a non-elective contribution equal to 2% of the employee's salary to a qualified SIMPLE IRA. There is no vesting schedule, and United Way provides to all eligible employees whether or not they contribute. Contributions to the plan, included in employee benefits on the statements of functional expenses, were $5,629 during the year ended June 30, 2023.

NOTE L – IN KIND CONTRIBUTIONS

Donated services for the year ended June 30, 2023, included in the financial statements, were as follows:

		2023
Accounting services	$	6,950
Contracted professional services		3,500
Marketing services		2,090
Total	$	12,540

NOTE M – RELATED PARTY TRANSACTIONS

During the year ended June 30, 2023, the Agency paid membership dues to United Way Worldwide in the amount of $13,326.

During fiscal year 2024, a former board member was hired as executive director of the Agency.

NOTE N – SUBSEQUENT EVENTS

The financial statements and related disclosures include evaluation of the events up through and including January 5, 2024, which is the date the statements were available for issue.

United Way of Fairfield County
Supplemental Schedule of Agency Allocations
For the year ended June 30, 2023

		Amount Paid Year ended June 30, 2023
EDUCATION		
Big Brothers/Big Sisters	$	50,500
Boy Scouts of America		10,000
Girl Scouts of Ohio Heartland		20,000
Mid-Ohio Psychological Services		10,000
Maywood Mission		60,000
Robert K Fox Family Y		53,000
Pickerington Local School District W.I.S.E. Program		53,500
HEALTH		
Fairfield Center for Disabilities and Cerebral Palsy		88,000
Robert K Fox Family Y Scholarship Fund		22,000
Harcum House/Child Advocacy Center		31,000
New Horizons		60,000
Salvation Army		60,000
INCOME		
American Red Cross		10,000
Canal Winchester Human Services		15,000
Information and Referral		85,000
The Lighthouse		60,000
Foundation Dinners		30,000
Lancaster-Fairfield County Community Action Food Pantry		50,000
Lutheran Social Services Emergency Shelter		45,000
Lutheran Social Services Food Pantry		22,000
Pickerington Food Pantry		59,500
AGENCY ALLOCATIONS		894,500
Support organization allocations		39,161
TOTALS	$	933,661

See independent auditors' report.