

**UNITED WAY OF FAIRFIELD COUNTY
AUDITED FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018**

UNITED WAY OF FAIRFIELD COUNTY
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To the Board of Trustees of
United Way of Fairfield County

We have audited the accompanying financial statements of United Way of Fairfield County (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The financial statements of United Way of Fairfield County as of December 31, 2018 were audited by other auditors whose report, dated April 12, 2019, expressed an unqualified opinion on those statements.

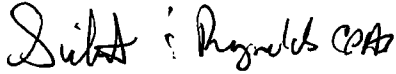
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Fairfield County as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules of Agency Allocations on page 20 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 audits 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.



Siebert & Reynolds, CPA's
Pickerington, OH
June 2, 2020

UNITED WAY OF FAIRFIELD COUNTY
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 541,319 | \$ 471,425 |
| Annual campaign pledges receivable - net | 1,173,577 | 993,543 |
| Grants receivable | 27,337 | 28,063 |
| Emergency allocations receivable | 33,721 | - |
| Prepaid expenses | 8,471 | 7,340 |
| Total Current Assets | 1,784,425 | 1,500,371 |
| Property and Equipment, net | 1,594 | 5,684 |
| Other Assets | | |
| Endowment funds | 552,409 | 705,233 |
| TOTAL ASSETS | \$ 2,338,428 | \$ 2,211,288 |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts payable | \$ 4,018 | \$ 3,007 |
| Accrued payroll related withholdings | 4,800 | 3,590 |
| Accrued vacation | 1,944 | 5,939 |
| Accrued special grant commitments | 42,336 | 38,044 |
| Community impact commitments | 46,885 | 37,956 |
| Due to other United Way counties and nonlocal charities | 36,800 | 38,522 |
| Total Current Liabilities | 136,783 | 127,058 |
| Net Assets | | |
| Without donor restrictions | 782,214 | 869,809 |
| With donor restrictions | 1,419,431 | 1,214,421 |
| Total Net Assets | 2,201,645 | 2,084,230 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 2,338,428 | \$ 2,211,288 |

See accompanying notes and independent auditors' report

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2019

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|---------------------|
| SUPPORT AND REVENUE | | | |
| Campaign Support | | | |
| Current year campaign support for future allocation period | \$ - | \$ 1,512,640 | \$ 1,512,640 |
| Campaign stock donations | - | - | - |
| Less: Provision for uncollectible pledges | - | 45,837 | 45,837 |
| NET SUPPORT - CURRENT CAMPAIGN | - | 1,466,803 | 1,466,803 |
| | | | |
| Prior year campaign support released from restriction in current year | 1,572,863 | (1,572,863) | - |
| Provision for uncollectible pledges | 64,749 | (64,749) | - |
| Other adjustments | (362,649) | 362,649 | - |
| NET ASSETS RELEASED FROM TIME RESTRICTION | 1,274,963 | (1,274,963) | - |
| | | | |
| TOTAL CAMPAIGN SUPPORT | 1,274,963 | 191,840 | 1,466,803 |
| | | | |
| OPERATING REVENUE | | | |
| Interest and dividend income | 2,646 | - | 2,646 |
| Imagination library | 30,953 | - | 30,953 |
| Fiscal Agent/Pass Through | 15,800 | - | 15,800 |
| Meeting income | 4,338 | - | 4,338 |
| VITA Income | 19,145 | - | 19,145 |
| Grants | 8,663 | - | 8,663 |
| In-kind | 5,878 | - | 5,878 |
| 5K income | 13,194 | - | 13,194 |
| Feeding our future | 31,490 | - | 31,490 |
| Other income | 12,497 | - | 12,497 |
| TOTAL OPERATING REVENUE | 144,604 | - | 144,604 |
| | | | |
| NON-OPERATING REVENUE AND GAINS | | | |
| Realized gains on investments | 62,840 | - | 62,840 |
| Unrealized gains on investments | 40,692 | - | 40,692 |
| Loss on equipment disposal | (1,430) | - | (1,430) |
| Interest and dividend income | 2,504 | 13,170 | 15,674 |
| TOTAL NON-OPERATING REVENUE AND GAINS | 104,606 | 13,170 | 117,776 |
| | | | |
| TOTAL SUPPORT, REVENUE AND GAINS | \$ 1,524,173 | \$ 205,010 | \$ 1,729,183 |

See accompanying notes and independent auditors' report

UNITED WAY OF FAIRFIELD COUNTY
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED
 Year Ended December 31, 2019

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|--------------|
| PROGRAM AND FUNCTIONAL EXPENSES AND LOSSES | | | |
| Program expenses | | | |
| Agency allocations | \$ 1,039,762 | \$ - | \$ 1,039,762 |
| Support organization allocations | 15,571 | - | 15,571 |
| PROGRAM EXPENSES | 1,055,333 | - | 1,055,333 |
| Functional expenses | | | |
| Programs | 279,199 | - | 279,199 |
| Management and general | 117,809 | - | 117,809 |
| Community campaign | 159,427 | - | 159,427 |
| FUNCTIONAL EXPENSES | 556,435 | - | 556,435 |
| TOTAL PROGRAM AND FUNCTIONAL EXPENSES | 1,611,768 | - | 1,611,768 |
| CHANGES IN NET ASSETS | (87,595) | 205,010 | 117,415 |
| NET ASSETS - BEGINNING OF YEAR | 869,809 | 1,214,421 | 2,084,230 |
| NET ASSETS - END OF YEAR | \$ 782,214 | \$ 1,419,431 | \$ 2,201,645 |

See accompanying notes and independent auditors' report

UNITED WAY OF FAIRFIELD COUNTY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2018

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| SUPPORT AND REVENUE | | | |
| Campaign Support | | | |
| Current year campaign support for future allocation period | \$ - | \$ 1,572,863 | \$ 1,572,863 |
| Campaign stock donations | - | 20,076 | 20,076 |
| Less: Provision for uncollectible pledges | - | 64,749 | 64,749 |
| NET SUPPORT - CURRENT CAMPAIGN | - | 1,528,190 | 1,528,190 |
| Prior year campaign support released from restriction in current year | | | |
| | 1,595,021 | (1,595,021) | - |
| Provision for uncollectible pledges | 86,328 | (86,328) | - |
| Other adjustments | (114,458) | 114,458 | - |
| NET ASSETS RELEASED FROM TIME RESTRICTION | 1,566,891 | (1,566,891) | - |
| TOTAL CAMPAIGN SUPPORT | 1,566,891 | (38,701) | 1,528,190 |
| OPERATING REVENUE | | | |
| Interest and dividend income | 2,274 | - | 2,274 |
| Imagination library | 21,190 | - | 21,190 |
| Endowment donations | 10,615 | - | 10,615 |
| Fiscal Agent/Pass Through | 10,000 | - | 10,000 |
| Meeting income | 4,029 | - | 4,029 |
| VITA Income | 24,025 | - | 24,025 |
| Grants | 10,595 | - | 10,595 |
| 5K income | 6,442 | - | 6,442 |
| Feeding our future | 18,700 | - | 18,700 |
| Other income | 20,509 | - | 20,509 |
| TOTAL OPERATING REVENUE | 128,379 | - | 128,379 |
| NON-OPERATING REVENUE AND GAINS | | | |
| Realized gains on investments | 8,819 | - | 8,819 |
| Interest and dividend income | 4,621 | 8,723 | 13,344 |
| TOTAL NON-OPERATING RENUUE AND GAINS | 13,440 | 8,723 | 22,163 |
| TOTAL SUPPORT, REVENUE AND GAINS | \$ 1,708,710 | \$ (29,978) | \$ 1,678,732 |

See accompanying notes and independent auditors' report

UNITED WAY OF FAIRFIELD COUNTY
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED
 Year Ended December 31, 2018

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| PROGRAM AND FUNCTIONAL EXPENSES AND LOSSES | | | |
| Program expenses | | | |
| Agency allocations | \$ 1,013,679 | \$ - | \$ 1,013,679 |
| Unrealized loss on investments | 68,211 | - | 68,211 |
| Support organization allocations | 14,825 | - | 14,825 |
| PROGRAM EXPENSES | <u>1,096,715</u> | - | <u>1,096,715</u> |
| Functional expenses | | | |
| Programs | 461,328 | - | 461,328 |
| Management and general | 90,706 | - | 90,706 |
| Community campaign | 147,715 | - | 147,715 |
| FUNCTIONAL EXPENSES | <u>699,749</u> | - | <u>699,749</u> |
| TOTAL PROGRAM AND FUNCTIONAL EXPENSES | <u>1,796,464</u> | - | <u>1,796,464</u> |
| CHANGES IN NET ASSETS | (87,754) | (29,978) | (117,732) |
| NET ASSETS - BEGINNING OF YEAR | <u>957,563</u> | <u>1,244,399</u> | <u>2,201,962</u> |
| NET ASSETS - END OF YEAR | <u>\$ 869,809</u> | <u>\$ 1,214,421</u> | <u>\$ 2,084,230</u> |

See accompanying notes and independent auditors' report

UNITED WAY OF FAIRFIELD COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2019

| | Program | Management and General | Community Campaign | Total |
|----------------------------------|-------------------|---------------------------|-----------------------|-------------------|
| Salaries | \$ 111,396 | \$ 83,444 | \$ 90,775 | \$ 285,615 |
| Payroll taxes | 8,304 | 6,519 | 6,766 | 21,589 |
| Employee benefits | 6,679 | 7,704 | 7,270 | 21,653 |
| Professional services | 1,688 | 5,225 | 5,975 | 12,888 |
| Consulting fees | 897 | 3,476 | 2,938 | 7,311 |
| Supplies and postage | 1,332 | 2,005 | 1,524 | 4,861 |
| Telephone | 1,344 | 1,081 | 1,101 | 3,526 |
| Rent | 7,287 | 2,535 | 2,632 | 12,454 |
| In-kind | - | - | 5,878 | 5,878 |
| Insurance | 885 | 695 | 722 | 2,302 |
| Maintenance | 4,069 | 3,193 | 3,314 | 10,576 |
| Fiscal agent/pass-thru | 2,276 | - | - | 2,276 |
| Events | 5,979 | - | 20,557 | 26,536 |
| Auto expense | 424 | 645 | 544 | 1,613 |
| Miscellaneous | 190 | 536 | - | 726 |
| Meals | 681 | 170 | 671 | 1,522 |
| Conference, convention, dues | 203 | - | 239 | 442 |
| Printing, publications, campaign | - | 209 | 6,659 | 6,868 |
| Combined program expense | 125,139 | - | - | 125,139 |
| SUB-TOTAL | 278,773 | 117,437 | 157,565 | 553,775 |
| Depreciation | 426 | 372 | 1,862 | 2,660 |
| TOTAL | \$ 279,199 | \$ 117,809 | \$ 159,427 | \$ 556,435 |

See accompanying notes and independent auditors' report

UNITED WAY OF FAIRFIELD COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2018

| | Program | Management and General | Community Campaign | Total |
|----------------------------------|-------------------|---------------------------|-----------------------|-------------------|
| Salaries | \$ 155,496 | \$ 68,109 | \$ 77,171 | \$ 300,776 |
| Payroll taxes | 12,324 | 5,053 | 5,872 | 23,249 |
| Employee benefits | 26,657 | 4,975 | 8,672 | 40,304 |
| Professional services | 3,267 | 5,697 | 6,374 | 15,338 |
| Consulting fees | 2,867 | 471 | 941 | 4,279 |
| Supplies and postage | 4,956 | 814 | 1,628 | 7,398 |
| Telephone | 2,610 | 429 | 857 | 3,896 |
| Rent | 7,419 | 2,348 | 2,687 | 12,454 |
| Insurance | 1,249 | 205 | 410 | 1,864 |
| Maintenance | 3,670 | 603 | 1,205 | 5,478 |
| Meetings | 13,197 | - | 26,641 | 39,838 |
| Auto expense | 374 | 270 | 912 | 1,556 |
| Miscellaneous | - | 206 | 206 | 412 |
| Hotels, meals, travel | 150 | 346 | 552 | 1,048 |
| Conference, convention, dues | - | 433 | 1,196 | 1,629 |
| Printing, publications, campaign | - | - | 10,896 | 10,896 |
| Combined program expense | 222,539 | - | - | 222,539 |
| SUB-TOTAL | 456,775 | 89,959 | 146,220 | 692,954 |
| Depreciation | 4,553 | 747 | 1,495 | 6,795 |
| TOTAL | \$ 461,328 | \$ 90,706 | \$ 147,715 | \$ 699,749 |

See accompanying notes and independent auditors' report

UNITED WAY OF FAIRFIELD COUNTY
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 117,415 | \$ (117,732) |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 2,660 | 6,795 |
| Loss on equipment | 1,430 | - |
| Unrealized (gains) losses on investments | (40,692) | 68,211 |
| In-kind contributions | | - |
| Noncash adjustment | | - |
| (Increase) decrease in: | | |
| Pledge receivables-net | (180,034) | 48,465 |
| Grants receivable | 726 | - |
| Emergency allocations receivable | (33,721) | - |
| Prepaid expense | (1,131) | 693 |
| Increase (decrease) in: | | |
| Accounts payable | 1,011 | 577 |
| Accrued payroll related withholdings | 1,210 | 211 |
| Accrued vacation | (3,995) | (3,110) |
| Accrued special grant commitments | 4,292 | (3,024) |
| Community impact commitments | 8,929 | (17,721) |
| Due to other United Way counties and nonlocal charities | (1,722) | (5,798) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>(123,622)</u> | <u>(22,433)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of stock | - | 1,080 |
| Interest reinvested | (15,674) | (13,344) |
| Realized (gains) | (62,840) | (8,819) |
| Fees from investments | 4,389 | 4,877 |
| Investment grants | 279,437 | - |
| Investment contributions | (11,796) | (11,949) |
| NET CASH (USED) BY INVESTING ACTIVITIES | <u>193,516</u> | <u>(28,155)</u> |
| CHANGE IN CASH AND CASH EQUIVALENTS | 69,894 | (50,588) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>471,425</u> | <u>522,013</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 541,319</u> | <u>\$ 471,425</u> |

See accompanying notes and independent auditors' report

UNITED WAY OF FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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 revenues from campaign contributions.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Restricted revenues whose restrictions are met in the same reporting period are shown as unrestricted revenues. Accordingly, net assets of the Agency and changes therein are classified and reported 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.

Donor restricted contributions are reported as increases in net assets with donor restrictions. 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

These assets are recorded at cost and are depreciated over their estimated useful lives using the straight-line method and accelerated method. Repairs and maintenance are charged to operations when incurred, and additions and improvements are capitalized. United Way assesses for impairment losses when conditions warrant. The capitalization threshold is \$1,000.

UNITED WAY OF FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Provision for Federal Income Tax

The Agency was incorporated as a nonprofit entity and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

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 December 31, 2019, 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 2016.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less. Cash and cash equivalents for the year ended December 31 consist of:

| | 2019 | 2018 |
|------------------------------------|-----------|------------|
| Checking account | \$335,444 | \$ 325,627 |
| Restricted cash – Section 125 plan | 400 | 2,925 |
| Money market accounts | 205,475 | 142,848 |
| Petty cash | - | 25 |
| | \$541,319 | \$ 471,425 |

Concentration of Credit Risk

The Agency has cash and cash equivalents on deposit in financial institutions in excess of federally insured limits. Balances in excess of the FDIC limits were \$94,021 and \$99,780 for the years ended 2019 and 2018, respectively. Balances in 2019 and 2018 were covered with a repurchase agreement covered by bank collateral.

Fair Value of Financial Information

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

Functional Expenses

The Agency allocates its expenses on a functional basis into fundraising, program expense, or administrative categories. Expenses that can be identified with a specific area are allocated directly according to their natural expenditure classification. Other expenses that are common to the three areas are allocated on a percentage basis.

UNITED WAY OF FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Donated Assets

Donated assets are recorded as contributions 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.

Pledge Receivables

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.

Allowance for Doubtful Accounts

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.

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.

RELATED PARTY TRANSACTIONS

During 2019 and 2018, the Agency paid membership dues to United Way Worldwide in the amount of \$15,571 and \$14,825, respectively.

EMERGENCY ALLOCATIONS RECEIVABLE

During 2019, the Agency provided emergency funds to a local agency. The balance due to the Agency at December 31, 2019 was \$33,721 and was repaid in January 2020.

ENDOWMENT FUNDS

In 2012, United Way established two endowment funds with the Fairfield County Foundation. An additional fund was established in 2019. The investments are invested in a pool of assets held by the Foundation for the benefit of various organizations.

The United Way Endowment includes a donor restricted corpus for Fairfield Affordable Housing of \$85,211 with earnings to date of \$21,309 for a total of \$106,520. The balance of the United Way Endowment is board restricted cash reserves.

UNITED WAY OF FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2018

ENDOWMENT FUNDS – CONTINUED

An allocation of types of investments held by the Fairfield County Foundation, percentages held in each type, and approximate dollar amounts invested in each type at December 31, 2019 and 2018 follows:

| | Live United Program Fund | United Way Endowment Fund | Sherry Orlando Endowment Fund | Total Investments |
|------------------------------|--------------------------------|---------------------------------|--|----------------------|
| Balance at December 31, 2018 | \$ 239,289 | \$ 465,944 | \$ - | \$ 705,233 |
| Deposit in transit reversed | - | (10,615) | - | (10,615) |
| Contributions | - | 11,796 | 10,615 | 22,411 |
| Interest and dividends | 2,362 | 13,170 | 142 | 15,674 |
| Draws | (268,822) | (10,615) | - | (279,437) |
| Fees | (920) | (3,437) | (32) | (4,389) |
| Unrealized gains(losses) | (1,146) | 41,379 | 459 | 40,692 |
| Realized gains | 29,237 | 33,588 | 15 | 62,840 |
| Balance at December 31, 2019 | \$ - | \$ 541,210 | \$ 11,199 | \$ 552,409 |

| | Fair Market Value | | |
|------------------------------------|---------------------------------|--|---------|
| | United Way Endowment Fund | Sherry Orlando Endowment Fund | Percent |
| Government Agencies | \$ 7,360 | \$ 152 | 1.36% |
| Corporate Bonds | 44,975 | 931 | 8.31% |
| Stocks | 94,874 | 1,963 | 17.53% |
| Partnerships | 2,435 | 51 | 0.45% |
| Marketable Certificates of Deposit | 2,652 | 55 | 0.49% |
| Certificates of Deposit | 108 | 2 | 0.02% |
| Mutual Funds | 366,129 | 7,576 | 67.65% |
| Money Market | 22,677 | 469 | 4.19% |
| | \$ 541,210 | \$ 11,199 | 100.00% |

| | Live United Program Fund | United Way Endowment Fund | Total Investments |
|------------------------------|-----------------------------|---------------------------------|----------------------|
| Balance at December 31, 2017 | \$ 256,150 | \$ 488,059 | \$ 744,209 |
| Contributions | - | 11,949 | 11,949 |
| Interest and dividends | 4,621 | 8,723 | 13,344 |
| Fees | (1,685) | (3,191) | (4,876) |
| Unrealized losses | (22,856) | (45,356) | (68,212) |
| Realized gains | 3,059 | 5,760 | 8,819 |
| Balance at December 31, 2018 | \$ 239,289 | \$ 465,944 | \$ 705,233 |

UNITED WAY OF FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2018

ENDOWMENT FUNDS - CONTINUED

| | Fair Market Value | | Percent |
|-------------------------|--------------------------------|---------------------------------|---------|
| | Live United Program Fund | United Way Endowment Fund | |
| Government Agencies | \$ 3,781 | \$ 7,362 | 1.58% |
| Corporate Bonds | 35,965 | 70,031 | 15.03% |
| Stocks | 39,674 | 77,254 | 16.58% |
| Partnerships | 1,244 | 2,423 | 0.52% |
| Certificates of Deposit | 622 | 1,211 | 0.26% |
| Mutual Funds | 146,972 | 286,183 | 61.42% |
| Money Market | 11,031 | 21,480 | 4.61% |
| | <u>\$ 239,289</u> | <u>\$ 465,944</u> | 100.00% |

FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets on accounting basis.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets on a continuing basis;
- Quoted prices for identical or similar assets or liabilities in inactive markets on a continuing basis;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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.

UNITED WAY OF FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2018

FAIR VALUE MEASUREMENTS – CONTINUED

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31 are as follows:

| Description | 2019 | | |
|-------------------------------|--|------------------------------|---|
| | Quoted Prices in Active Markets for Identical Assets | Significant Other Observable | Significant Other Unobservable Inputs (Level 3) |
| Money market/savings | \$ 23,146 | \$ - | \$ - |
| Available for sale securities | 478,054 | - | - |
| Certificate of deposit | 2,817 | - | - |
| Partnerships | 2,486 | - | - |
| Corporate bonds | 45,906 | - | - |
| | <u>\$ 552,409</u> | <u>\$ -</u> | <u>\$ -</u> |

| Description | 2018 | | |
|-------------------------------|--|---|---|
| | Quoted Prices in Active Markets for Identical Assets | Significant Other Observable Inputs (Level 2) | Significant Other Unobservable Inputs (Level 3) |
| Money market/savings | \$ 32,511 | \$ - | \$ - |
| Available for sale securities | 561,226 | - | - |
| Certificate of deposit | 1,833 | - | - |
| Partnerships | 3,667 | - | - |
| Corporate bonds | 105,996 | - | - |
| | <u>\$ 705,233</u> | <u>\$ -</u> | <u>\$ -</u> |

PROPERTY AND EQUIPMENT

| | 2019 | 2018 |
|------------------------------|-----------------|-----------------|
| Office equipment | \$ 60,130 | \$ 88,817 |
| Leasehold improvements | 3,842 | 3,842 |
| Accumulated depreciation | (62,378) | (86,975) |
| Property and equipment – net | <u>\$ 1,594</u> | <u>\$ 5,684</u> |

SPECIAL GRANT COMMITMENTS

In 2019 and 2018, the Agency committed to sponsor tax programs for low-income and elderly county residents through special grants. However, there are some situations when the Agency's special grant is not paid during the year. At December 31, 2019 and 2018, the unexpended agency commitments for Agency special grants were \$42,336 and \$38,044, respectively.

UNITED WAY OF FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2018

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 December 31, 2019 and 2018, the unexpended agency commitments for these programs were \$46,885 and 37,956, respectively.

ANNUAL CAMPAIGN PLEDGES RECEIVABLE

A summary of annual campaign pledges, annual campaign pledges receivable, and allowance for uncollectible pledges at December 31, 2019 and 2018 is as follows:

| <u>2019</u> | Original amounts of pledges | Pledges receivable | Allowance for uncollectible pledges | Net pledges receivable |
|-------------------|-----------------------------------|-----------------------|---|---------------------------|
| Pledges from the: | | | | |
| 2019 Campaign | \$1,502,529 | \$ 1,199,684 | \$ 67,903 | \$ 1,131,781 |
| 2018 Campaign | | 110,688 | 68,892 | 41,796 |
| 2017 Campaign | | 47,823 | 47,823 | - |
| | | <u>\$ 1,358,195</u> | <u>\$ 184,618</u> | <u>\$ 1,173,577</u> |

| <u>2018</u> | Original amounts of pledges | Pledges receivable | Allowance for uncollectible pledges | Net pledges receivable |
|-------------------|-----------------------------------|-----------------------|---|---------------------------|
| Pledges from the: | | | | |
| 2018 Campaign | \$ 1,572,863 | \$ 981,510 | \$ 68,892 | \$ 912,618 |
| 2017 Campaign | | 150,067 | 69,142 | 80,925 |
| 2016 Campaign | | 68,182 | 68,182 | - |
| | | <u>\$ 1,199,759</u> | <u>\$ 206,216</u> | <u>\$ 993,543</u> |

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

DONOR DESIGNATION – OTHER UNITED WAY COUNTIES AND NONLOCAL CHARITIES

The United Way of Fairfield County 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 years ended December 31, 2019 and 2018, designations paid out were \$26,352 and \$38,009, respectively. Donor designations unpaid at December 31, 2019 and 2018 are \$36,800 and \$38,522, 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.

UNITED WAY OF FAIRFIELD COUNTY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2019 and 2018

NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions balance consists of campaign revenue designated for future agency allocations, grants and the Fairfield Affordable Housing and Sherry Orlando endowment funds.

OPERATING LEASE

United Way leases office space from the Lancaster City School District of Lancaster, Ohio. The lease was renewed to commence on January 1, 2015 for six years at \$3,113 per quarter. A new lease was entered into effective July 1, 2020 to June 30, 2021 at \$2,099 per quarter. This lease is renewable for an additional period at the option of the parties and at a lease rate as agreed to between the parties. Rent paid for the years ended December 31, 2019 and 2018 was \$12,454 each year. The following schedule consists of lease payments for the remaining periods:

| | |
|-------------------------------|----------|
| January 1 – December 31, 2020 | \$10,424 |
| January 1 – June 30, 2021 | 4,198 |

AVAILABILITY AND LIQUIDITY

The following represents United Way of Fairfield County's financial assets at December 31:

| | 2019 | 2018 |
|--|--------------|--------------|
| Financial assets at year end | | |
| Cash and cash equivalents | \$ 541,319 | \$ 471,425 |
| Annual campaign pledges receivable – net | 1,173,577 | 993,543 |
| Grants receivable | 61,058 | 28,063 |
| Investments | 552,409 | 705,233 |
| Total financial assets | 2,328,363 | 2,198,264 |
| Less amounts not available for general use within one year: | | |
| Net assets with purpose restriction for program expenses | 61,058 | 28,063 |
| Endowment established by the Board and not available without Board approval and donor restricted endowment | 552,409 | 705,233 |
| | 613,467 | 733,296 |
| Total financial assets available to meet general expenditures over the next twelve months | \$ 1,714,896 | \$ 1,464,968 |

United Way of Fairfield County'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 in an endowment fund, such as the fund held at the Fairfield County Foundation.

UNITED WAY OF FAIRFIELD COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2018

RECLASSIFICATIONS

Some account balances in the prior year were reclassified to be consistent with the current year reporting.

SUBSEQUENT EVENTS

Beginning around March 2020, the COVID-19 virus has been declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. Management anticipates seeing a decline in revenues based on the majority of the United Way of Fairfield County's revenues are collected through payroll deduction agreements. With high unemployment, management expects many of these agreements will be reduced or go unfulfilled. Unemployment has also impacted tax collections which will impact a major segment of the United Way of Fairfield County's campaign, local governments. No adjustments have been made to these financial statements as a result of this uncertainty. However, subsequent to December 31, 2019, the investment and credit markets have experienced significant volatility. As a result, a substantial portion of United Way of Fairfield County's investments have experienced significant declines.

Management has evaluated subsequent events through June 2, 2020, the date the financial statements were available to be issued. Any subsequent events after that date have not been evaluated.

UNITED WAY OF FAIRFIELD COUNTY
 SUPPLEMENTAL SCHEDULES OF AGENCY ALLOCATIONS
 Years Ended December 31, 2019 and 2018

| | Amount Paid 2019 | Amount Paid 2018 |
|---|---------------------|---------------------|
| EDUCATION: | | |
| Big Brothers/Big Sisters | \$ 50,471 | \$ 50,442 |
| Boy Scouts of America | 19,998 | 20,000 |
| Harcum House | 11,550 | - |
| Mid-Ohio Psychological Services | 15,000 | 15,000 |
| The Recovery Center, Inc. | 15,452 | 12,517 |
| Seal of Ohio Girl Scouts | 19,998 | 20,000 |
| Maywood Mission | 60,321 | 60,642 |
| Robert K Fox Family Y | 53,081 | 53,278 |
| Pickerington Local School District W.I.S.E. Program | 61,250 | 61,500 |
| HEALTH: | | |
| Center for Disabilities and Cerebral Palsy | 74,392 | 74,285 |
| Robert K Fox Family Y Scholarship Fund | 22,055 | 23,055 |
| Harcum House/Child Advocacy Center | 23,000 | 20,000 |
| New Horizons | 70,000 | 70,000 |
| Salvation Army | 65,000 | 61,500 |
| Life Center at Wesley Ridge | 23,463 | 22,361 |
| By The Way Clinic | 10,000 | 10,000 |
| INCOME: | | |
| American Red Cross | 69,000 | 69,000 |
| Canal Winchester Human Services | 14,501 | 17,000 |
| Information and Referral | 82,498 | 80,000 |
| Lighthouse | 88,818 | 88,636 |
| Foundation Dinners | 15,000 | 15,000 |
| Lancaster-Fairfield County Community Action Food Pantry | 74,981 | 73,963 |
| Fairfield County Teen Works | 1,933 | - |
| Lutheran Social Services Emergency Shelter | 50,000 | 50,000 |
| Lutheran Social Services Food Pantry | 22,000 | 22,000 |
| Pickerington Food Pantry | 26,000 | 23,500 |
| AGENCY ALLOCATIONS | 1,039,762 | 1,013,679 |
| Support organization allocations | 15,571 | 14,825 |
| TOTALS | \$ 1,055,333 | \$ 1,028,504 |

See auditors' report on supplementary information