

**United Way of Greater Cincinnati  
and Subsidiary**

Independent Auditor's Report and Consolidated Financial Statements  
December 31, 2020 and 2019

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

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## Independent Auditor's Report

Board of Directors  
United Way of Greater Cincinnati and Subsidiary  
Cincinnati, Ohio

We have audited the accompanying consolidated financial statements of United Way of Greater Cincinnati and Subsidiary (UWGC), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

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

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our 2020 audit also was conducted in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of United Way of Greater Cincinnati and Subsidiary as of December 31, 2020 and 2019, 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.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, including the 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*, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we also have issued our report dated August 25, 2021, on our consideration of UWGC'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 UWGC'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 UWGC's internal control over financial reporting and compliance.

**BKD, LLP**

Cincinnati, Ohio  
August 25, 2021

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2020

	Without Donor Restrictions		With Donor	Total
	Operating	Custodial	Restrictions	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 32,029,192	\$ 166,049	\$ 2,654,354	\$ 34,849,595
Contributions receivable	21,766,802	-	435,903	22,202,705
Less allowance for uncollectible	(5,206,834)	-	-	(5,206,834)
Accounts receivable	2,184,941	209,915	28,729	2,423,585
Investments	19,451,047	-	4,113,878	23,564,925
Endowment	22,618,674	-	577,022	23,195,696
Beneficial interest in charitable trusts	-	-	17,308,538	17,308,538
Interest in assets at community foundations	241,562	-	-	241,562
Other current assets	491,380	-	11,880	503,260
Note receivable	400,000	-	-	400,000
Land, buildings and equipment, net	11,534,405	-	-	11,534,405
<b>TOTAL ASSETS</b>	<b>\$ 105,511,169</b>	<b>\$ 375,964</b>	<b>\$ 25,130,304</b>	<b>\$ 131,017,437</b>
<b>LIABILITIES</b>				
Grants and designations payable	\$ 26,445,991	\$ -	\$ -	\$ 26,445,991
Accounts payable	878,453	-	-	878,453
Accrued expenses	1,048,006	-	-	1,048,006
Capital lease obligation	30,474	-	-	30,474
Other liabilities	1,475,071	375,964	-	1,851,035
<b>TOTAL LIABILITIES</b>	<b>29,877,995</b>	<b>375,964</b>	<b>-</b>	<b>30,253,959</b>
<b>NET ASSETS</b>				
Without donor restrictions				
Undesignated	13,014,936	-	-	13,014,936
Designated by the Board	62,618,238	-	-	62,618,238
Total without donor restrictions	75,633,174	-	-	75,633,174
With donor restrictions				
Perpetual in nature	-	-	8,041,264	8,041,264
Purpose restrictions	-	-	15,573,774	15,573,774
Time-restricted for future periods	-	-	1,515,266	1,515,266
Total with donor restrictions	-	-	25,130,304	25,130,304
<b>TOTAL NET ASSETS</b>	<b>75,633,174</b>	<b>-</b>	<b>25,130,304</b>	<b>100,763,478</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 105,511,169</b>	<b>\$ 375,964</b>	<b>\$ 25,130,304</b>	<b>\$ 131,017,437</b>

See Notes to Consolidated Financial Statements

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2019

	Without Donor Restrictions		With Donor	Total
	Operating	Custodial	Restrictions	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,952,758	\$ (195,446)	\$ 1,989,507	\$ 4,746,819
Contributions receivable	32,051,783	-	655,273	32,707,056
Less allowance for uncollectible	(5,124,305)	-	-	(5,124,305)
Accounts receivable	459,142	176,268	77,000	712,410
Investments	20,675,015	-	3,609,919	24,284,934
Endowment	16,980,127	-	577,022	17,557,149
Beneficial interest in charitable trusts	-	-	16,085,041	16,085,041
Interest in assets at community foundations	231,711	-	-	231,711
Other current assets	496,739	-	11,466	508,205
Note receivable	400,000	-	-	400,000
Land, buildings and equipment, net	12,144,076	-	-	12,144,076
<b>TOTAL ASSETS</b>	<b>\$ 81,267,046</b>	<b>\$ (19,178)</b>	<b>\$ 23,005,228</b>	<b>\$ 104,253,096</b>
<b>LIABILITIES</b>				
Grants and designations payable	\$ 29,572,051	\$ -	\$ -	\$ 29,572,051
Accounts payable	1,022,522	-	-	1,022,522
Accrued expenses	1,198,021	-	-	1,198,021
Capital lease obligation	45,200	-	-	45,200
Other liabilities	69,574	(19,178)	-	50,396
<b>TOTAL LIABILITIES</b>	<b>31,907,368</b>	<b>(19,178)</b>	<b>-</b>	<b>31,888,190</b>
<b>NET ASSETS</b>				
Without donor restrictions				
Undesignated	13,494,921	-	-	13,494,921
Designated by the Board	35,864,757	-	-	35,864,757
Total without donor restrictions	49,359,678	-	-	49,359,678
With donor restrictions				
Perpetual in nature	-	-	7,456,161	7,456,161
Purpose restrictions	-	-	13,927,810	13,927,810
Time-restricted for future periods	-	-	1,621,257	1,621,257
Total with donor restrictions	-	-	23,005,228	23,005,228
<b>TOTAL NET ASSETS</b>	<b>49,359,678</b>	<b>-</b>	<b>23,005,228</b>	<b>72,364,906</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 81,267,046</b>	<b>\$ (19,178)</b>	<b>\$ 23,005,228</b>	<b>\$ 104,253,096</b>

See Notes to Consolidated Financial Statements

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT &amp; REVENUE</b>			
Gross campaign results (2020/2021)	\$ 29,832,782	\$ 1,042,633	\$ 30,875,415
Less donor designations	(7,038,183)	-	(7,038,183)
Less provision for uncollectible	(3,195,500)	-	(3,195,500)
Net campaign revenue (2020/2021)	<u>19,599,099</u>	<u>1,042,633</u>	<u>20,641,732</u>
Gross campaign results (2019/2020)	5,093,790	100,000	5,193,790
Change in provision for uncollectible	1,000,828	-	1,000,828
Net campaign revenue (2019/2020)	<u>6,094,618</u>	<u>100,000</u>	<u>6,194,618</u>
Gross campaign results (2018/2019)	216,733	-	216,733
Change in provision for uncollectible	72,721	-	72,721
Net campaign revenue (2018/2019)	<u>289,454</u>	<u>-</u>	<u>289,454</u>
Other contributions	28,623,649	711,295	29,334,944
Designations from other United Ways	275,365	-	275,365
Service fees	416,081	-	416,081
Grants and contracts	1,833,642	441,410	2,275,052
Income on beneficial interest in charitable trusts	303,912	453,012	756,924
Net investment return	605,725	67,590	673,315
Net realized gain/(loss) on investments	229,136	38,698	267,834
Net unrealized gain/(loss) on investments	2,417,456	465,261	2,882,717
Fair value change of beneficial interest in charitable trusts	-	1,223,911	1,223,911
Donated materials and services	1,528,662	-	1,528,662
Miscellaneous income	266,671	-	266,671
Net assets released from restrictions	<u>2,418,734</u>	<u>(2,418,734)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>64,902,204</u>	<u>2,125,076</u>	<u>67,027,280</u>
<b>EXPENSES</b>			
Program services			
Grants and distributions	31,621,650	-	31,621,650
Less donor designations	(7,038,183)	-	(7,038,183)
Net grants and distributions	<u>24,583,467</u>	<u>-</u>	<u>24,583,467</u>
Other program services	6,110,250	-	6,110,250
Total program services	<u>30,693,717</u>	<u>-</u>	<u>30,693,717</u>
Supporting services	7,934,991	-	7,934,991
<b>TOTAL EXPENSES</b>	<u>38,628,708</u>	<u>-</u>	<u>38,628,708</u>
<b>CHANGE IN NET ASSETS</b>	26,273,496	2,125,076	28,398,572
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>49,359,678</u>	<u>23,005,228</u>	<u>72,364,906</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 75,633,174</u>	<u>\$ 25,130,304</u>	<u>\$ 100,763,478</u>

See Notes to Consolidated Financial Statements

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT &amp; REVENUE</b>			
Gross campaign results (2019/2020)	\$ 38,695,418	\$ 385,428	\$ 39,080,846
Less donor designations	(9,030,039)	-	(9,030,039)
Less provision for uncollectible	(3,041,742)	-	(3,041,742)
Net campaign revenue (2019/2020)	<u>26,623,637</u>	<u>385,428</u>	<u>27,009,065</u>
Gross campaign results (2018/2019)	4,785,836	105,000	4,890,836
Change in provision for uncollectible	1,124,832	-	1,124,832
Net campaign revenue (2018/2019)	<u>5,910,668</u>	<u>105,000</u>	<u>6,015,668</u>
Gross campaign results (2017/2018)	64,092	-	64,092
Change in provision for uncollectible	416,062	-	416,062
Net campaign revenue (2017/2018)	<u>480,154</u>	<u>-</u>	<u>480,154</u>
Other contributions	545,036	403,905	948,941
Designations from other United Ways	140,922	-	140,922
Service fees	445,261	-	445,261
Grants and contracts	65,440	12,341	77,781
Income on beneficial interest in charitable trusts	306,311	353,083	659,394
Net investment return	781,321	105,108	886,429
Net realized gain/(loss) on investments	511,892	141,439	653,331
Net unrealized gain/(loss) on investments	2,459,588	582,071	3,041,659
Fair value change of beneficial interest in charitable trusts	-	2,310,725	2,310,725
Donated materials and services	368,420	-	368,420
Miscellaneous income	299,823	-	299,823
Net assets released from restrictions	<u>4,145,418</u>	<u>(4,145,418)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>43,083,891</u>	<u>253,682</u>	<u>43,337,573</u>
<b>EXPENSES</b>			
Program services			
Grants and distributions	35,093,899	-	35,093,899
Less donor designations	(9,030,039)	-	(9,030,039)
Net grants and distributions	<u>26,063,860</u>	<u>-</u>	<u>26,063,860</u>
Other program services	6,161,432	-	6,161,432
Total program services	<u>32,225,292</u>	<u>-</u>	<u>32,225,292</u>
Supporting services	7,635,784	-	7,635,784
<b>TOTAL EXPENSES</b>	<u>39,861,076</u>	<u>-</u>	<u>39,861,076</u>
<b>CHANGE IN NET ASSETS</b>	3,222,815	253,682	3,476,497
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>46,136,863</u>	<u>22,751,546</u>	<u>68,888,409</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 49,359,678</u>	<u>\$ 23,005,228</u>	<u>\$ 72,364,906</u>

See Notes to Consolidated Financial Statements



## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

	PROGRAM SERVICES			SUPPORT SERVICES			Total	
	Community Impact	Direct Services	Central Services	Program Services Total	Organizational Administration	Fundraising		Support Services Total
<b>EXPENSES</b>								
Grants and distributions	\$ 31,621,650	\$ -	\$ -	\$ 31,621,650	\$ -	\$ -	\$ -	\$ 31,621,650
Less donor designations	(7,038,183)	-	-	(7,038,183)	-	-	-	(7,038,183)
Sub-Total	<u>24,583,467</u>	<u>-</u>	<u>-</u>	<u>24,583,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,583,467</u>
Salaries	1,524,139	541,740	360,227	2,426,106	1,763,079	2,105,751	3,868,830	6,294,936
Payroll taxes	179,698	62,579	41,753	284,030	197,858	263,661	461,519	745,549
Employee benefits	92,808	37,049	23,755	153,612	77,105	132,415	209,520	363,132
Sub-Total	<u>1,796,645</u>	<u>641,368</u>	<u>425,735</u>	<u>2,863,748</u>	<u>2,038,042</u>	<u>2,501,827</u>	<u>4,539,869</u>	<u>7,403,617</u>
Contract services	651,354	102,320	17,910	771,584	319,514	139,326	458,840	1,230,424
Office expense	108,312	26,483	67,861	202,656	130,162	83,404	213,566	416,222
Printing and publications	24,237	3,422	1,434	29,093	10,340	25,589	35,929	65,022
Information technology	261,775	77,129	301,863	640,767	209,153	963,278	1,172,431	1,813,198
Occupancy	230,572	59,532	376,811	666,915	209,919	279,075	488,994	1,155,909
Advertising and promotions	360,390	13,365	1,505	375,260	10,760	185,990	196,750	572,010
Travel	8,414	1,298	3,860	13,572	4,073	9,343	13,416	26,988
Meetings and events	1,210,783	2,206	85	1,213,074	13,686	27,551	41,237	1,254,311
Staff development	5,499	1,515	955	7,969	7,423	6,123	13,546	21,515
Dues	136,770	50,202	30,608	217,580	164,511	188,635	353,146	570,726
Interest	491	175	116	782	557	683	1,240	2,022
Insurance	8,288	480	40,001	48,769	17,251	853	18,104	66,873
Miscellaneous	18,943	81	32,693	51,717	6,896	9,337	16,233	67,950
Depreciation and amortization	150,692	53,794	35,708	240,194	170,939	209,838	380,777	620,971
Sub-Total	<u>3,176,520</u>	<u>392,002</u>	<u>911,410</u>	<u>4,479,932</u>	<u>1,275,184</u>	<u>2,129,025</u>	<u>3,404,209</u>	<u>7,884,141</u>
Less interdepartmental expenses	(185,620)	-	(1,047,810)	(1,233,430)	(9,087)	-	(9,087)	(1,242,517)
Total expenses included in the expense section of the statement of activities	<u>\$ 29,371,012</u>	<u>\$ 1,033,370</u>	<u>\$ 289,335</u>	<u>\$ 30,693,717</u>	<u>\$ 3,304,139</u>	<u>\$ 4,630,852</u>	<u>\$ 7,934,991</u>	<u>\$ 38,628,708</u>

See Notes to Consolidated Financial Statements

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019

	PROGRAM SERVICES			SUPPORT SERVICES			Total	
	Community Impact	Direct Services	Central Services	Program Services Total	Organizational Administration	Fundraising		Support Services Total
Grants and distributions	\$ 35,093,899	\$ -	\$ -	\$ 35,093,899	\$ -	\$ -	\$ -	\$ 35,093,899
Less donor designations	(9,030,039)	-	-	(9,030,039)	-	-	-	(9,030,039)
Sub-Total	<u>26,063,860</u>	<u>-</u>	<u>-</u>	<u>26,063,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,063,860</u>
Salaries	1,766,352	605,804	379,947	2,752,103	1,512,773	1,986,275	3,499,048	6,251,151
Employee benefits	444,517	140,769	93,771	679,057	341,717	482,193	823,910	1,502,967
Payroll taxes	126,699	46,382	27,438	200,519	93,229	145,619	238,848	439,367
Sub-Total	<u>2,337,568</u>	<u>792,955</u>	<u>501,156</u>	<u>3,631,679</u>	<u>1,947,719</u>	<u>2,614,087</u>	<u>4,561,806</u>	<u>8,193,485</u>
Contract services	880,083	80,268	22,361	982,712	360,844	191,228	552,072	1,534,784
Office expense	89,166	45,219	72,095	206,480	126,953	92,243	219,196	425,676
Printing and publications	19,448	7,595	3,941	30,984	16,177	45,337	61,514	92,498
Information technology	142,655	67,108	188,929	398,692	136,038	664,984	801,022	1,199,714
Occupancy	259,206	89,636	431,623	780,465	181,048	258,781	439,829	1,220,294
Advertising and promotions	406,885	16,004	5,377	428,266	23,577	37,514	61,091	489,357
Travel	31,810	1,715	3,907	37,432	11,997	25,402	37,399	74,831
Meetings and events	59,559	5,887	1,813	67,259	19,500	89,187	108,687	175,946
Staff development	2,378	753	223	3,354	2,939	2,846	5,785	9,139
Dues	228,992	79,720	47,818	356,530	190,353	305,111	495,464	851,994
Interest	791	268	170	1,229	659	885	1,544	2,773
Insurance	9,061	376	38,782	48,219	16,763	33,331	50,094	98,313
Miscellaneous	152,035	5	40,334	192,374	8,491	24,970	33,461	225,835
Depreciation and amortization	189,668	64,340	40,664	294,672	158,036	212,105	370,141	664,813
Sub-Total	<u>2,471,737</u>	<u>458,894</u>	<u>898,037</u>	<u>3,828,668</u>	<u>1,253,375</u>	<u>1,983,924</u>	<u>3,237,299</u>	<u>7,065,967</u>
Less interdepartmental expenses	<u>(215,561)</u>	<u>-</u>	<u>(1,083,354)</u>	<u>(1,298,915)</u>	<u>(163,321)</u>	<u>-</u>	<u>(163,321)</u>	<u>(1,462,236)</u>
Total expenses included in the expense section of the statement of activities	<u>\$ 30,657,604</u>	<u>\$ 1,251,849</u>	<u>\$ 315,839</u>	<u>\$ 32,225,292</u>	<u>\$ 3,037,773</u>	<u>\$ 4,598,011</u>	<u>\$ 7,635,784</u>	<u>\$ 39,861,076</u>

See Notes to Consolidated Financial Statements

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 28,398,572	\$ 3,476,497
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized (gain)/loss on investments	(267,834)	(653,331)
Net unrealized (gain)/loss on investments	(2,882,717)	(3,041,659)
Depreciation and amortization	620,971	664,813
Net (gain)/loss on disposal of assets	61,169	-
Change in fair value of beneficial interest in charitable trusts	(1,223,911)	(2,310,725)
Provision for uncollectible contributions receivable	2,151,951	1,500,848
Reserve for software license obsolescence	660,026	442,276
Change in cash value of life insurance	652	3,783
Changes in:		
Contributions and accounts receivable	6,723,754	4,286,117
Software licenses	(649,788)	(433,192)
Other current and long-term assets and liabilities	1,795,108	(721,991)
Grants and accounts payable and accrued expenses	(3,420,144)	(2,088,282)
Net cash provided by operating activities	<u>31,967,809</u>	<u>1,125,154</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	121,929,155	280,397,441
Purchase of investments	(123,706,993)	(279,933,895)
Purchase of property and equipment	(72,469)	(89,154)
Net cash provided by (used in) investing activities	<u>(1,850,307)</u>	<u>374,392</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payment of capital lease obligations	(14,726)	(13,974)
Net cash used in financing activities	<u>(14,726)</u>	<u>(13,974)</u>
Increase/(decrease) in cash and cash equivalents	30,102,776	1,485,572
Cash and cash equivalents at beginning of year	<u>4,746,819</u>	<u>3,261,247</u>
Cash and cash equivalents at end of year	<u><b>\$ 34,849,595</b></u>	<u><b>\$ 4,746,819</b></u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Interest paid	\$ 2,022	\$ 2,774
Accounts payable incurred for purchase of property and equipment	-	29,104

*See Notes to Consolidated Financial Statements*

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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### NOTE A – ORGANIZATION

United Way of Greater Cincinnati (UWGC) believes all families in our region deserve economic wellbeing, so we build solutions and align systems to help people thrive. UWGC works closely with communities to identify patterns, uncover the greatest need and change systems so fewer people need relief in the future. UWGC's focus is on family economic mobility. UWGC invests in programs and initiatives providing health, education, financial and human services in the Greater Cincinnati community. 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 wide range of programs and initiatives designed to improve the wellbeing of families throughout Greater Cincinnati. Revenues, gains and other support, grants, and payments to other United Way organizations are recorded by UWGC.

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

#### 1. Community Impact

UWGC is well positioned to lead a collective impact effort around education, income and health. In its role as a convener, UWGC has brought together key stakeholders from throughout the ten-county region (Hamilton, Clermont, Brown, and Butler counties in Ohio; Boone, Kenton, Campbell, and Grant counties in Kentucky; and Dearborn and Ohio counties in Indiana) to establish a common vision and pursue evidence-based actions in mutually reinforcing ways.

UWGC's Agenda for Community Impact is based on the 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 some sense of financial stability.
- 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, 2020 AND 2019

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### NOTE A – ORGANIZATION (continued)

#### 1. Community Impact (continued)

Staff and volunteers work diligently to make data-informed decisions on initiatives, programs and strategies designed to improve the economic wellbeing of Greater Cincinnati families. UWGC agency and community partners refine strategies, adjust performance measures and improve measurement systems to reach goals. Funding decisions are based on best-practice research. Strategic community initiatives promote collaborative problem solving and community development with governmental and non-profit agencies. Advocacy and the promotion of public policy with elected and appointed federal, state and local officials is an important component of the work to meet health and human service needs.

#### 2. Direct Services

Direct Services are services provided by UWGC, such as United Way 211 and United Way Volunteer Connection.

United Way 211 links people to services and volunteer opportunities. United Way 211 is available 24 hours a day, seven days a week to people in: Hamilton, Clermont, Brown, and Butler counties and Middletown in Ohio; Boone, Kenton, Campbell, and Grant counties in Kentucky; and Dearborn, Jefferson, Ohio, Ripley, and Switzerland counties in Indiana.

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

#### 3. Central Services

Central Services include self-supporting programs which serve UWGC's operating divisions and other non-profit organizations. These fee-producing programs include group employee benefits administration, building and grounds management and accounting.

#### 4. Fundraising

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

#### 5. 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 systems and assets of UWGC, and manages human resources of UWGC.

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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### 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).

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 consolidated 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, 2020 and 2019, cash equivalents consisted primarily of money market mutual funds. Activity related to money market funds held in investment accounts are excluded from cash equivalents on the consolidated statements of cash flows.

UWGC’s cash accounts exceeded federally insured limits by approximately \$9,118,000 at December 31, 2020.

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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

#### 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 form. 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 consolidated 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 funds held in brokerage accounts.

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

#### 6. Land, Buildings and Equipment

Land, buildings and equipment additions over \$5,000 are recorded at cost, or fair value, if donated, at the 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 consolidated 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, 2020 and 2019.

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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

#### 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:

<b>Nature of the Gift</b>	<b>Value Recognized</b>
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on UWGC overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
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 on 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

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.



# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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

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. The Paycheck Protection Program (PPP) loan (Note J) of \$1,383,300 was accounted for as a conditional contribution at December 31, 2020. There were no conditional contributions as of December 31, 2019.

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 consolidated 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 2020 and 2019 totaled approximately \$1,529,000 and \$368,400, respectively, and primarily include advertising.

#### 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 fall for a grant funding year of January 1 to December 31.

In December 2020, the UWGC Board of Directors approved grants to fund agencies for the period January 1, 2021 to December 31, 2021.

#### 10. Functional Allocation of Expenses

The costs of supporting the program services and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present 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.

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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

#### 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 agencies that participate in UWGC group benefit plans. The governing board has designated, from net assets without donor restrictions, net assets for specific purposes (see Note M).

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 that resources be maintained in perpetuity. All growth is recorded as with donor restriction.

#### 12. Capital Lease Obligation

Capital leases include leases covering copiers expiring September 2022.

#### 13. 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.

#### 14. 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.

#### 15. 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.

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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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 Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. UWGC's services 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 their parties.

### NOTE D – CONTRIBUTIONS RECEIVABLE

Contributions receivable without donor-imposed restrictions and the related allowance for uncollectible contributions at December 31, 2020 and 2019:

	Contributions Receivable	Allowance for Uncollectible	Net Contributions Receivable
2020			
Campaign 2020-2021	\$ 16,218,187	\$ (3,195,500)	\$ 13,022,687
Campaign 2019-2020	5,084,314	(2,011,334)	3,072,980
Future Campaigns	464,301	-	464,301
Total	<u>\$ 21,766,802</u>	<u>\$ (5,206,834)</u>	<u>\$ 16,559,968</u>
2019			
Campaign 2019-2020	\$ 26,456,365	\$ (3,039,471)	\$ 23,416,894
Campaign 2018-2019	5,137,700	(2,084,834)	3,052,866
Future Campaigns	457,718	-	457,718
Total	<u>\$ 32,051,783</u>	<u>\$ (5,124,305)</u>	<u>\$ 26,927,478</u>

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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

In addition, UWGC has received multi-year contributions, as follows:

	<u>2020</u>	<u>2019</u>
Within one year	\$ 575,008	\$ 1,207,340
One to five years	<u>750,000</u>	<u>1,052,508</u>
	1,325,008	2,259,848
Less: present value component	<u>(10,694)</u>	<u>(30,944)</u>
Total multi-year contributions receivable	<u>\$ 1,314,314</u>	<u>\$ 2,228,904</u>
Included in without donor restrictions contributions above	\$ 878,411	\$ 1,573,631
Included in with donor restrictions contributions	<u>435,903</u>	<u>655,273</u>
Total	<u>\$ 1,314,314</u>	<u>\$ 2,228,904</u>

#### NOTE E – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2020 and 2019:

	<u>Without Donor Restrictions</u>		<u>With Donor Restrictions</u>	<u>Total</u>
	<u>Operating</u>	<u>Custodial</u>		
2020				
Other receivables	\$ 705,433	\$ 209,915	\$ 28,729	\$ 944,077
Interest and dividends	96,343	-	-	96,343
Grant receivables	<u>1,383,165</u>	<u>-</u>	<u>-</u>	<u>1,383,165</u>
Total	<u>\$ 2,184,941</u>	<u>\$ 209,915</u>	<u>\$ 28,729</u>	<u>\$ 2,423,585</u>
2019				
Other receivables	\$ 388,139	\$ 176,268	\$ 77,000	\$ 641,407
Interest and dividends	56,733	-	-	56,733
Grant receivables	<u>14,270</u>	<u>-</u>	<u>-</u>	<u>14,270</u>
Total	<u>\$ 459,142</u>	<u>\$ 176,268</u>	<u>\$ 77,000</u>	<u>\$ 712,410</u>

All accounts were deemed collectible as of December 31, 2020 and 2019.

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

#### NOTE F – INVESTMENTS

This information includes investments, endowments, and interest in assets at community foundations as seen in the consolidated statements of financial position. The cost and fair value of investments and the unrealized gain (loss) at December 31, 2020 and 2019 are summarized as follows by type of investment:

	<u>Cost</u>	<u>Net Unrealized Gain (Loss)</u>	<u>Fair Value</u>
2020			
Common stock	\$ 2,973,178	\$ 1,685,094	\$ 4,658,272
Corporate bonds	21,629,478	690,734	22,320,212
Equity mutual funds	10,669,485	2,389,116	13,058,601
Fixed income mutual funds	21,116	(1,279)	19,837
Money market investments	577,507	(17)	577,490
Pooled debt and equity funds	758,618	1,258,622	2,017,240
U.S. government securities	558,471	(143)	558,328
Hedge funds	1,000,000	476,134	1,476,134
Private equity funds	2,000,000	316,069	2,316,069
	<u>\$ 40,187,853</u>	<u>\$ 6,814,330</u>	<u>\$ 47,002,183</u>
	<u>Cost</u>	<u>Net Unrealized Gain (Loss)</u>	<u>Fair Value</u>
2019			
Common stock	\$ 2,936,108	\$ 1,437,850	\$ 4,373,958
Corporate bonds	19,960,465	138,035	20,098,500
Equity mutual funds	9,869,556	1,129,535	10,999,091
Fixed income mutual funds	126,066	(22,073)	103,993
Money market investments	2,757,200	(36)	2,757,164
Pooled debt and equity funds	771,808	1,144,196	1,916,004
U.S. government securities	661,440	(1,412)	660,028
Hedge funds	1,000,000	165,056	1,165,056
	<u>\$ 38,082,643</u>	<u>\$ 3,991,151</u>	<u>\$ 42,073,794</u>

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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#### NOTE F – INVESTMENTS (continued)

##### 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, 2020 and 2019 consist of the following:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
2020				
Private equity funds	<u>\$ 2,316,069</u>	<u>\$ -</u>	Qrtly	65 days
Hedge funds	<u>\$ 1,476,134</u>	<u>\$ -</u>	Qrtly	65 days
2019				
Hedge funds	<u>\$ 1,165,056</u>	<u>\$ -</u>	Qrtly	65 days

UWGC's alternative investments consist of a multi-strategy hedge fund of funds and private equity fund that seek 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 G – 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.

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 value over the trust's term. Upon termination of the trust, UWGC receives its entire portion of the assets remaining in the trust.

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 years ended December 31, 2020 and 2019 was \$756,924 and \$659,394, respectively. The estimated value of expected future cash flows is evaluated annually and any change in value is classified as with donor restrictions.

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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#### NOTE H – NOTE RECEIVABLE

In 2018, UWGC had a \$400,000 investment in United Way Digital Holdings, LLC (UWDH, LLC), which was assumed by United Way Worldwide (UWW) in December 2018 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 is scheduled to be repaid in four equal installments of \$100,000 starting December 1, 2020 through December 1, 2023. The first installment was received in April 2021.

#### NOTE I – LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment at December 31, 2020 and 2019:

	Cost	Accumulated Depreciation	Net Book Value
2020			
Land and land improvements	\$ 744,969	\$ (327,622)	\$ 417,347
Buildings and improvements	14,177,572	(3,744,618)	10,432,954
Office furniture and equipment	2,515,667	(1,904,563)	611,104
Vehicles	49,123	(49,123)	-
Land held for sale	73,000	-	73,000
Total	<u>\$ 17,560,331</u>	<u>\$ (6,025,926)</u>	<u>\$ 11,534,405</u>
2019			
Land and land improvements	\$ 817,969	\$ (322,143)	\$ 495,826
Buildings and improvements	14,171,255	(3,366,432)	10,804,823
Office furniture and equipment	2,567,422	(1,723,995)	843,427
Vehicles	49,123	(49,123)	-
Total	<u>\$ 17,605,769</u>	<u>\$ (5,461,693)</u>	<u>\$ 12,144,076</u>

#### NOTE J – 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 has elected to account for the funding as a conditional contribution by applying ASC Topic 958-605, *Revenue Recognition*. Revenue is recognized when conditions are met, which include meeting FTE and salary reduction requirements and incurring eligible expenditures. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender. As such, the loan is recorded in other liabilities as of December 31, 2020 until formally forgiven under the provisions of the program. The loan was subsequently forgiven in May 2021 and recorded as revenue at that time.

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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### NOTE K – PENSION PLAN

UWGC and certain affiliated agencies participate in a non-contributory, defined benefit pension plan (the Plan). UWGC serves as the Plan Administrator and accounts 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. This termination amount is approximately \$836,568 at December 31, 2020.

UWGC's participation in this plan for the annual period ended December 31, 2020, 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.

Pension Fund	EIN/Pension Plan Number	FIP/RP Status Pending/ Implemented	Contributions of UWGC
2020			
Pension Plan for Employee of United Way of Greater Cincinnati and Affiliated Agencies	31-0537502/PN 333	N/A	\$ 495,395
2019			
Pension Plan for Employee of United Way of Greater Cincinnati and Affiliated Agencies	31-0537502/PN 333	N/A	\$ 2,432,551

As determined by the Plan's actuary, UWGC is noted as providing more than 5 percent of the total contributions for plan years 2020 and 2019. At the date the financial statements were issued, the Form 5500 was not available for the plan year ending in 2020.



## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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#### NOTE K – PENSION PLAN (continued)

At December 31, 2020, UWGC's liability on a funding basis had a surplus estimated at \$609,632 based on the current Plan's actuarial data and asset value as of January 1, 2021. This surplus includes contributions made by UWGC to the Plan. The actual minimum funding requirements for the future will be determined at each anniversary date. On June 16, 2021, UWGC accepted a proposal from a third-party insurance company to assume responsibility for the Plan. The formal termination of the Plan will take place over the next year. During this interim period, UWGC will remain the plan sponsor, but the funding of all future pension obligations will be assumed by the third-party insurance company as of June 16, 2021. This transaction required that the plan assets of \$31.3M be transferred to the third-party insurance company with an additional premium of \$1.3M. A total premium of \$32.6M was moved to the third-party insurance company on June 23, 2021. The additional premium of \$1.3M was funded by the UWGC Foundation through a promissory note that must be repaid by UWGC in 42 months from the date of the promissory note. The promissory note provides an interest-free loan to UWGC and does not require principal payments until the termination of the promissory note. UWGC intends to pay off the promissory note as funds are received from the participating agency partners who are helping fund the additional premium. Final allocation of the additional premium by agency is being reviewed by the actuary as of the date of the financial statements. Management does not anticipate any additional premium to be allocated to UWGC.

UWGC also 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, 2020 and 2019 was \$131,266 and \$303,986, respectively, and is included in employee benefits expenses. The 2019 expense includes a non-elective contribution accrual for 2019 that was paid to eligible employees in early 2020.

#### NOTE L – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2020 and 2019 are restricted for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
Held as beneficial interest in charitable trusts	\$ 9,844,295	\$ 9,205,901
Perpetual in nature	8,041,264	7,456,161
Various purpose restrictions	4,445,388	3,321,173
Project Lift / Child Poverty Collaborative	827,924	272,121
Partners for a Competitive Workforce	143,407	611,432
Success By 6	312,760	517,183
Use in future periods	<u>1,515,266</u>	<u>1,621,257</u>
Total	<u>\$ 25,130,304</u>	<u>\$ 23,005,228</u>

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

#### NOTE L – NET ASSETS WITH DONOR RESTRICTIONS (continued)

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

	<u>2020</u>	<u>2019</u>
Expiration of time restrictions	\$ 679,445	\$ 1,463,692
Satisfaction or purpose restrictions		
Partners for a Competitive Workforce	478,824	485,556
Success By 6	375,034	871,860
Child Poverty Collaborative	272,121	678,173
Various purpose restrictions	21,112	152,394
Distributions (proceeds are not restricted by donors)		
Beneficial interest in charitable trusts held by others	34,311	26,268
	<u>1,860,847</u>	<u>3,677,943</u>
Restricted-purpose spending-rate distributions and appropriations	<u>557,887</u>	<u>467,475</u>
	<u>\$ 2,418,734</u>	<u>\$ 4,145,418</u>

#### NOTE M – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at December 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Undesignated UWGC net assets as follows		
Amounts invested in land, buildings and equipment, or designated by the Board for such purposes	\$ 13,014,936	\$ 13,494,921
Total Undesignated	13,014,936	13,494,921
UWGC assets designated by the Board as follows:		
Middletown Community Foundation	668,206	640,650
Campaign distribution for operating budget	8,225,300	8,913,000
Campaign distribution for undetermined allocations	4,219,061	2,443,635
UWGC program initiatives	46,779	123,567
Board restricted investments	523,410	512,529
Other designations	71,261	67,261
Foundation allocations for operating and capital budgets	773,400	917,182
Foundation designated for UWGC campaign	7,037,625	5,678,877
Foundation designated for endowment	15,294,667	13,738,821
UWGC operating reserves	758,529	2,829,235
UWGC one-time gift	25,000,000	-
Total Board Designated	<u>62,618,238</u>	<u>35,864,757</u>
Total	<u>\$ 75,633,174</u>	<u>\$ 49,359,678</u>

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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#### NOTE N – RELATED PARTY TRANSACTIONS

UWGC provides services such as employee benefits administration and facility rentals for which it receives a fee from the agencies using these services.

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 received no revenue from CPP, LLC.

#### NOTE O – 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, 2020 and 2019, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 32,195,241	\$ 2,757,312
Contributions receivable, net	16,559,968	26,927,478
Accounts receivable	2,394,856	635,410
Investments	19,451,047	20,675,015
Endowment	<u>22,618,674</u>	<u>16,980,127</u>
Total financial assets	93,219,786	67,975,342
Less Foundation investments unavailable for general expenditure	(258,748)	(3,777,385)
Less board designated amounts not available for general expenditure within one year	<u>(52,814,230)</u>	<u>(23,081,773)</u>
	<u>\$ 40,146,808</u>	<u>\$ 41,116,184</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 \$22,618,674 and \$19,695,070 as of December 31, 2020 and 2019, respectively, is subject to an annual spending rate of 5% as described in Note Q. 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.

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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#### NOTE O – LIQUIDITY AND AVAILABILITY (continued)

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.

Certain immaterial revisions have been made to the 2019 financial assets available for general expenditure included in this disclosure. Financial assets available for general expenditure were previously reported as \$30,320,200.

#### NOTE P – DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

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

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

### NOTE P – DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (continued)

#### 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 NAV per share as a practical expedient as identified in the following, at December 31, 2020 and 2019:

	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)	
2020				
Investments				
Common stock	\$ 4,658,272	\$ 4,658,272	\$ -	\$ -
Corporate bonds	22,320,212	-	22,320,212	-
Equity mutual funds	13,058,601	13,058,601	-	-
Fixed income mutual funds	19,837	19,837	-	-
Money market investments	577,490	577,490	-	-
Pooled debt and equity funds	2,017,240	-	1,914,584	102,656
U.S. government securities	558,328	-	558,328	-
Hedge funds	1,476,134	-	-	1,476,134
Private equity funds	2,316,069	-	-	2,316,069
Total	<u>\$ 47,002,183</u>	<u>\$ 18,314,200</u>	<u>\$ 24,793,124</u>	<u>\$ 3,894,859</u>
Beneficial interest in charitable trusts	<u>\$ 17,308,538</u>	<u>\$ -</u>	<u>\$ 17,308,538</u>	<u>\$ -</u>
2019				
Investments				
Common stock	\$ 4,373,958	\$ 4,373,958	\$ -	\$ -
Corporate bonds	20,098,500	-	20,098,500	-
Equity mutual funds	10,999,091	10,999,091	-	-
Fixed income mutual funds	103,993	103,993	-	-
Money market investments	2,757,164	2,757,164	-	-
Pooled debt and equity funds	1,916,004	-	1,813,347	102,657
U.S. government securities	660,028	-	660,028	-
Hedge funds	1,165,056	-	-	1,165,056
Total	<u>\$ 42,073,794</u>	<u>\$ 18,234,206</u>	<u>\$ 22,571,875</u>	<u>\$ 1,267,713</u>
Beneficial interest in charitable trusts	<u>\$ 16,085,041</u>	<u>\$ -</u>	<u>\$ 16,085,041</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.

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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#### NOTE P – DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (continued)

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, 2020.

##### ***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, pooled debt and equity funds, and U.S. government securities.

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.

#### NOTE Q – 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, 2020 AND 2019

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### NOTE Q – 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, 2020 and 2019 were:

	Without Donor Restrictions	With Donor Restrictions	Total
2020			
Donor-restricted endowment funds	\$ -	\$ 5,047,455	\$ 5,047,455
Board-designated endowment funds	22,618,674	-	22,618,674
Total endowment funds	<u>\$ 22,618,674</u>	<u>\$ 5,047,455</u>	<u>\$ 27,666,129</u>
2019			
Donor-restricted endowment funds	\$ -	\$ 4,532,592	\$ 4,532,592
Board-designated endowment funds	19,695,070	-	19,695,070
Total endowment funds	<u>\$ 19,695,070</u>	<u>\$ 4,532,592</u>	<u>\$ 24,227,662</u>

## UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

#### NOTE Q – ENDOWMENT (continued)

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

	Without Donor Restrictions	With Donor Restrictions	Total
2020			
Endowment net assets, beginning of year	\$ 19,695,069	\$ 4,532,592	\$ 24,227,661
Investment return:			
Investment income	431,793	67,590	499,383
Net appreciation	1,969,155	503,959	2,473,114
Total investment return	<u>2,400,948</u>	<u>571,549</u>	<u>2,972,497</u>
Contributions	1,634,360	553,012	2,187,372
Appropriation of endowment assets for expenditure	(1,108,338)	(575,387)	(1,683,725)
Other changes	<u>(3,365)</u>	<u>(34,311)</u>	<u>(37,676)</u>
Endowment net assets, end of year	<u>\$ 22,618,674</u>	<u>\$ 5,047,455</u>	<u>\$ 27,666,129</u>
2019			
Endowment net assets, beginning of year	\$ 17,088,528	\$ 3,722,522	\$ 20,811,050
Investment return:			
Investment income	965,327	246,547	1,211,874
Net appreciation	2,487,018	582,071	3,069,089
Total investment return	<u>3,452,345</u>	<u>828,618</u>	<u>4,280,963</u>
Contributions	358,577	490,188	848,765
Appropriation of endowment assets for expenditure	(1,200,717)	(482,475)	(1,683,192)
Other changes	<u>(3,663)</u>	<u>(26,261)</u>	<u>(29,924)</u>
Endowment net assets, end of year	<u>\$ 19,695,070</u>	<u>\$ 4,532,592</u>	<u>\$ 24,227,662</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, 2020 and 2019.



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

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019**

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#### **NOTE Q – 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 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 R – CONCENTRATIONS**

Contributions from one individual donor and one corporate donor and its employees were approximately 54% and 21% of total contributions revenue in 2020 and 2019, respectively.

#### **NOTE S – 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.

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

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019**

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#### **NOTE T – SUBSEQUENT EVENTS**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of UWGC. The duration of these uncertainties and ultimate financial effects cannot be reasonably estimated at this time.

Subsequent events have been evaluated through August 25, 2021, which is the date the consolidated financial statements were available to be issued.

#### **NOTE U – FUTURE CHANGE IN ACCOUNTING PRINCIPLE**

##### **Accounting for Leases**

The Financial Accounting Standards Board amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expenses on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021. UWGC is evaluating the impact the standard will have on the financial statements; however, the standard is expected to have a material impact on the consolidated financial statements due to the recognition of additional assets and liabilities for operating leases.

## **SUPPLEMENTAL INFORMATION**

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATING SCHEDULE - FINANCIAL POSITION INFORMATION  
December 31, 2020

	UWGC			UWGC Foundation		Eliminating Entries		Consolidated Totals			
	Without Donor Restrictions		With Donor	Without Donor	With Donor	Without Donor	With Donor	Without Donor Restrictions		With Donor	Totals
	Operating	Custodial	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	Operating	Custodial	Restrictions	
<b>ASSETS</b>											
Cash and cash equivalents	\$ 30,974,488	\$ 166,049	\$ 2,297,782	\$ 1,054,704	\$ 356,572	\$ -	\$ -	\$ 32,029,192	\$ 166,049	\$ 2,654,354	\$ 34,849,595
Contributions receivable	21,766,802	-	435,903	-	-	-	-	21,766,802	-	435,903	22,202,705
Less allowance for uncollectible	(5,206,834)	-	-	-	-	-	-	(5,206,834)	-	-	(5,206,834)
Accounts receivable	2,204,642	209,915	802,129	35,599	-	(55,300)	(773,400)	2,184,941	209,915	28,729	2,423,585
Investments	19,192,299	-	-	258,748	4,113,878	-	-	19,451,047	-	4,113,878	23,564,925
Endowment	668,206	-	-	21,950,468	577,022	-	-	22,618,674	-	577,022	23,195,696
Beneficial interest in charitable trusts	-	-	1,170,693	-	16,137,845	-	-	-	-	17,308,538	17,308,538
Interest in assets at other foundations	-	-	-	241,562	-	-	-	241,562	-	-	241,562
Other current assets	132,040	-	-	359,340	11,880	-	-	491,380	-	11,880	503,260
Note receivable	400,000	-	-	-	-	-	-	400,000	-	-	400,000
Land, buildings and equipment, net	11,534,405	-	-	-	-	-	-	11,534,405	-	-	11,534,405
<b>TOTAL ASSETS</b>	<b>\$ 81,666,048</b>	<b>\$ 375,964</b>	<b>\$ 4,706,507</b>	<b>\$ 23,900,421</b>	<b>\$ 21,197,197</b>	<b>\$ (55,300)</b>	<b>\$ (773,400)</b>	<b>\$ 105,511,169</b>	<b>\$ 375,964</b>	<b>\$ 25,130,304</b>	<b>\$ 131,017,437</b>
<b>LIABILITIES</b>											
Grants and designations payable	\$ 25,706,562	\$ -	\$ -	\$ 1,568,129	\$ -	\$ (828,700)	\$ -	\$ 26,445,991	\$ -	\$ -	\$ 26,445,991
Accounts payable	878,453	-	-	-	-	-	-	878,453	-	-	878,453
Accrued expenses	1,048,006	-	-	-	-	-	-	1,048,006	-	-	1,048,006
Capital lease obligation	30,474	-	-	-	-	-	-	30,474	-	-	30,474
Other liabilities	1,475,071	375,964	-	-	-	-	-	1,475,071	375,964	-	1,851,035
<b>TOTAL LIABILITIES</b>	<b>29,138,566</b>	<b>375,964</b>	<b>-</b>	<b>1,568,129</b>	<b>-</b>	<b>(828,700)</b>	<b>-</b>	<b>29,877,995</b>	<b>375,964</b>	<b>-</b>	<b>30,253,959</b>
<b>NET ASSETS</b>											
<b>Without donor restrictions</b>											
Undesignated	13,014,936	-	-	-	-	-	-	13,014,936	-	-	13,014,936
Designated by the Board	39,512,546	-	-	22,332,292	-	773,400	-	62,618,238	-	-	62,618,238
<b>Total without donor restrictions</b>	<b>52,527,482</b>	<b>-</b>	<b>-</b>	<b>22,332,292</b>	<b>-</b>	<b>773,400</b>	<b>-</b>	<b>75,633,174</b>	<b>-</b>	<b>-</b>	<b>75,633,174</b>
<b>With donor restrictions</b>											
Perpetual in nature	-	-	1,170,693	-	6,870,571	-	-	-	-	8,041,264	8,041,264
Purpose restrictions	-	-	2,120,288	-	13,464,186	-	(10,700)	-	-	15,573,774	15,573,774
Time-restricted for future periods	-	-	1,415,526	-	862,440	-	(762,700)	-	-	1,515,266	1,515,266
<b>Total with donor restrictions</b>	<b>-</b>	<b>-</b>	<b>4,706,507</b>	<b>-</b>	<b>21,197,197</b>	<b>-</b>	<b>(773,400)</b>	<b>-</b>	<b>-</b>	<b>25,130,304</b>	<b>25,130,304</b>
<b>TOTAL NET ASSETS</b>	<b>52,527,482</b>	<b>-</b>	<b>4,706,507</b>	<b>22,332,292</b>	<b>21,197,197</b>	<b>773,400</b>	<b>(773,400)</b>	<b>75,633,174</b>	<b>-</b>	<b>25,130,304</b>	<b>100,763,478</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 81,666,048</b>	<b>\$ 375,964</b>	<b>\$ 4,706,507</b>	<b>\$ 23,900,421</b>	<b>\$ 21,197,197</b>	<b>\$ (55,300)</b>	<b>\$ (773,400)</b>	<b>\$ 105,511,169</b>	<b>\$ 375,964</b>	<b>\$ 25,130,304</b>	<b>\$ 131,017,437</b>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

CONSOLIDATING SCHEDULE - ACTIVITIES INFORMATION

For the Year Ended December 31, 2020

	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 (2020/2021)	\$ 30,216,899	\$ 1,042,633	\$ -	\$ -	\$ (384,117)	\$ -	\$ 29,832,782	\$ 1,042,633	\$ 30,875,415
Less donor designations	(7,038,183)	-	-	-	-	-	(7,038,183)	-	(7,038,183)
Less provision for uncollectible	(3,195,500)	-	-	-	-	-	(3,195,500)	-	(3,195,500)
Net campaign revenue (2020/2021)	19,983,216	1,042,633	-	-	(384,117)	-	19,599,099	1,042,633	20,641,732
Gross campaign results (2019/2020)	5,093,790	100,000	-	-	-	-	5,093,790	100,000	5,193,790
Change in provision for uncollectible	1,000,828	-	-	-	-	-	1,000,828	-	1,000,828
Net campaign revenue (2019/2020)	6,094,618	100,000	-	-	-	-	6,094,618	100,000	6,194,618
Gross campaign results (2018/2019)	216,733	-	-	-	-	-	216,733	-	216,733
Change in provision for uncollectible	72,721	-	-	-	-	-	72,721	-	72,721
Net campaign revenue (2018/2019)	289,454	-	-	-	-	-	289,454	-	289,454
Other contributions	27,326,280	1,478,567	1,352,969	6,128	(55,600)	(773,400)	28,623,649	711,295	29,334,944
Designations from other United Ways	275,365	-	-	-	-	-	275,365	-	275,365
Service fees	450,392	-	-	-	(34,311)	-	416,081	-	416,081
Grants and contracts	1,833,642	441,410	-	-	-	-	1,833,642	441,410	2,275,052
Income on beneficial interest in charitable trusts	-	-	303,912	453,012	-	-	303,912	453,012	756,924
Net investment return	328,589	-	277,136	67,590	-	-	605,725	67,590	673,315
Net realized gain/(loss) on investments	78,088	-	151,048	38,698	-	-	229,136	38,698	267,834
Net unrealized gain/(loss) on investments	498,895	-	1,918,561	465,261	-	-	2,417,456	465,261	2,882,717
Fair value change of beneficial interest in charitable trusts	-	76,414	-	1,147,497	-	-	-	1,223,911	1,223,911
Donated materials and services	1,528,662	-	-	-	-	-	1,528,662	-	1,528,662
Miscellaneous income	261,885	-	4,786	-	-	-	266,671	-	266,671
Net assets released from restrictions	2,726,218	(2,726,218)	609,698	(609,698)	(917,182)	917,182	2,418,734	(2,418,734)	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>61,675,304</b>	<b>412,806</b>	<b>4,618,110</b>	<b>1,568,488</b>	<b>(1,391,210)</b>	<b>143,782</b>	<b>64,902,204</b>	<b>2,125,076</b>	<b>67,027,280</b>
<b>EXPENSES</b>									
Program services									
Grants and distributions	31,174,928	-	1,659,839	-	(1,213,117)	-	31,621,650	-	31,621,650
Less donor designations	(7,038,183)	-	-	-	-	-	(7,038,183)	-	(7,038,183)
Net grants and distributions	24,136,745	-	1,659,839	-	(1,213,117)	-	24,583,467	-	24,583,467
Other program services	6,110,250	-	-	-	-	-	6,110,250	-	6,110,250
Total program services	30,246,995	-	1,659,839	-	(1,213,117)	-	30,693,717	-	30,693,717
Supporting services	7,925,625	-	43,677	-	(34,311)	-	7,934,991	-	7,934,991
<b>TOTAL EXPENSES</b>	<b>38,172,620</b>	<b>-</b>	<b>1,703,516</b>	<b>-</b>	<b>(1,247,428)</b>	<b>-</b>	<b>38,628,708</b>	<b>-</b>	<b>38,628,708</b>
<b>CHANGE IN NET ASSETS</b>	<b>23,502,684</b>	<b>412,806</b>	<b>2,914,594</b>	<b>1,568,488</b>	<b>(143,782)</b>	<b>143,782</b>	<b>26,273,496</b>	<b>2,125,076</b>	<b>28,398,572</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>29,024,798</b>	<b>4,293,701</b>	<b>19,417,698</b>	<b>19,628,709</b>	<b>917,182</b>	<b>(917,182)</b>	<b>49,359,678</b>	<b>23,005,228</b>	<b>72,364,906</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 52,527,482</b>	<b>\$ 4,706,507</b>	<b>\$ 22,332,292</b>	<b>\$ 21,197,197</b>	<b>\$ 773,400</b>	<b>\$ (773,400)</b>	<b>\$ 75,633,174</b>	<b>\$ 25,130,304</b>	<b>\$ 100,763,478</b>

**UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2020**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures
Department of Homeland Security Emergency Food and Shelter National Board Program	97.024	\$ 22,376
Department of the Treasury Volunteer Income Tax Assistance (VITA) Matching Grant	21.009	71,539
Department of Housing and Urban Development City of Cincinnati CDBG - Entitlement Grants Cluster Community Development Block Grant	14.218	37,933
Department of Treasury Board of County Commissioners, Hamilton County, OH COVID-19 - Coronavirus Relief Fund	21.019	1,478,812
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 Program	93.558	155,882
		<u>\$ 1,766,542</u>

**Notes to Schedule**

1. The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of United Way of Greater Cincinnati and Subsidiary (UWGC) under programs of the federal government for the year ended December 31, 2020. 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). Because the Schedule presents only a selected portion of the operations of UWGC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of UWGC.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. UWGC has elected not to use the ten percent de minimus indirect cost rate allowed under Uniform Guidance.
3. Under the Department of the Treasury definition of subrecipient, UWGC provided no federal awards to subrecipients.

## **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***

### **Independent Auditor's Report**

Board of Directors  
United Way of Greater Cincinnati and Subsidiary  
Cincinnati, Ohio

We have audited, 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, the consolidated financial statements of United Way of Greater Cincinnati and Subsidiary (UWGC), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated 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 August 25, 2021.

#### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the consolidated financial statements, we considered UWGC'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 UWGC's internal control. Accordingly, we do not express an opinion on the effectiveness of UWGC'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 the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

As part of obtaining reasonable assurance about whether UWGC'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*.

### ***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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BKD, LLP**

Cincinnati, Ohio  
August 25, 2021



## **Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance**

### **Independent Auditor's Report**

Board of Directors  
United Way of Greater Cincinnati and Subsidiary  
Cincinnati, Ohio

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

We have audited United Way of Greater Cincinnati and Subsidiary's (UWGC) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on UWGC's major federal program for the year ended December 31, 2020. UWGC's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

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

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

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

## ***Opinion on the Major Federal Program***

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 its major federal program for the year ended December 31, 2020.

## **Report on Internal Control Over Compliance**

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

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

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

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.

**BKD, LLP**

Cincinnati, Ohio  
August 25, 2021

# UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2020

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### *Summary of Auditor's Results*

#### *Financial Statements*

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

Unmodified     Qualified     Adverse     Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)?

Yes     None reported

Material weakness(es)?

Yes     No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes     No

#### *Federal Awards*

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)?

Yes     None reported

Material weakness(es)?

Yes     No

5. The opinion expressed in the independent auditor's report on compliance for major federal awards was:

Unmodified     Qualified     Adverse     Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

Yes     No

**UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**YEAR ENDED DECEMBER 31, 2020**

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7. UWGC's major program was:

<b>Cluster/Program</b>	<b>CFDA Number</b>
Coronavirus Relief Fund	21.019

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. UWGC qualified as a low-risk auditee?

Yes

No

**UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**YEAR ENDED DECEMBER 31, 2020**

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**Findings Required to be Reported by *Government Auditing Standards***

<b>Reference Number</b>	<b>Finding</b>
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No matters are reportable.

**Findings Required to be Reported by the Uniform Guidance**

<b>Reference Number</b>	<b>Finding</b>
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No matters are reportable.

**UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2020**

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