

United Way of Greater Cincinnati and Subsidiary

**Consolidated Financial Statements with Supplementary Information
December 31, 2023 and 2022, and
Independent Auditors' Report**

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY
December 31, 2023 and 2022

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of United Way of Greater Cincinnati and Subsidiary (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of United Way of Greater Cincinnati and Subsidiary as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Greater Cincinnati and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

**Independent Auditors' Report
(Continued)**

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

**Independent Auditors' Report
(Continued)**

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of financial position, consolidating statement of activities, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are 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 consolidating statement of financial position, consolidating statement of activities, and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024 on our consideration of United Way of Greater Cincinnati and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the United Way of Greater Cincinnati and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of Greater Cincinnati and Subsidiary's internal control over financial reporting and compliance.



June 14, 2024
Cincinnati, Ohio

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Consolidated Statement of Financial Position December 31, 2023

	<u>Without Donor Restrictions</u>		<u>With Donor</u>	<u>Total</u>
	<u>Operating</u>	<u>Custodial</u>	<u>Restrictions</u>	
Assets				
Cash and cash equivalents	\$ 8,157,764	\$ 2,050,580	\$ 3,055,979	\$ 13,264,323
Contributions receivable	15,263,712	-	856,832	16,120,544
Less allowance for uncollectible	(3,995,594)	-	-	(3,995,594)
Grants and other receivables	589,194	-	-	589,194
Investments	50,658,001	-	-	50,658,001
Investments held in endowment	20,898,313	-	4,628,552	25,526,865
Beneficial interest in charitable trusts	-	-	17,213,098	17,213,098
Interest in assets at community foundations	1,461,745	-	-	1,461,745
Other current assets	642,635	-	9,714	652,349
Notes receivable	207,241	-	-	207,241
Land, buildings and equipment, net	12,525,842	-	-	12,525,842
Total assets	<u>\$ 106,408,853</u>	<u>\$ 2,050,580</u>	<u>\$ 25,764,175</u>	<u>\$ 134,223,608</u>
Liabilities and Net Assets				
Liabilities				
Grants and designations payable	\$ 14,496,575	\$ 1,927,578	\$ -	\$ 16,424,153
Accounts payable	1,080,679	-	-	1,080,679
Accrued expenses	572,112	-	-	572,112
Other liabilities	67,674	123,002	-	190,676
Total liabilities	<u>16,217,040</u>	<u>2,050,580</u>	<u>-</u>	<u>18,267,620</u>
Net Assets				
Undesignated	12,525,843	-	-	12,525,843
Designated by the Board	77,665,970	-	-	77,665,970
Perpetual in nature	-	-	7,772,922	7,772,922
Purpose restrictions	-	-	17,015,813	17,015,813
Time-restricted for future periods	-	-	975,440	975,440
Total net assets	<u>90,191,813</u>	<u>-</u>	<u>25,764,175</u>	<u>115,955,988</u>
Total liabilities and net assets	<u>\$ 106,408,853</u>	<u>\$ 2,050,580</u>	<u>\$ 25,764,175</u>	<u>\$ 134,223,608</u>

See accompanying notes to consolidated financial statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Consolidated Statement of Financial Position December 31, 2022

	<u>Without Donor Restrictions</u>		<u>With Donor</u>	<u>Total</u>
	<u>Operating</u>	<u>Custodial</u>	<u>Restrictions</u>	
Assets				
Cash and cash equivalents	\$ 6,321,240	\$ 1,939,482	\$ 2,005,868	\$ 10,266,590
Contributions receivable	16,956,752	-	1,333,164	18,289,916
Less allowance for uncollectible	(3,611,858)	-	-	(3,611,858)
Grants and other receivables	515,140	-	1,000,000	1,515,140
Investments	50,173,767	-	3,392,497	53,566,264
Investments held in endowment	20,081,913	-	577,022	20,658,935
Beneficial interest in charitable trusts	-	-	15,133,063	15,133,063
Interest in assets at community foundations	286,694	-	-	286,694
Other current assets	587,189	-	9,714	596,903
Notes receivable	335,222	-	-	335,222
Land, buildings and equipment, net	10,829,787	-	-	10,829,787
Total assets	<u>\$ 102,475,846</u>	<u>\$ 1,939,482</u>	<u>\$ 23,451,328</u>	<u>\$ 127,866,656</u>
Liabilities and Net Assets				
Liabilities				
Grants and designations payable	\$ 15,494,820	\$ 1,106,089	\$ -	\$ 16,600,909
Accounts payable	801,252	-	-	801,252
Accrued expenses	705,584	-	-	705,584
Other liabilities	737,205	833,393	-	1,570,598
Total liabilities	<u>17,738,861</u>	<u>1,939,482</u>	<u>-</u>	<u>19,678,343</u>
Net Assets				
Undesignated	12,997,013	-	-	12,997,013
Designated by the Board	71,739,972	-	-	71,739,972
Perpetual in nature	-	-	7,051,455	7,051,455
Purpose restrictions	-	-	15,571,044	15,571,044
Time-restricted for future periods	-	-	828,829	828,829
Total net assets	<u>84,736,985</u>	<u>-</u>	<u>23,451,328</u>	<u>108,188,313</u>
Total liabilities and net assets	<u>\$ 102,475,846</u>	<u>\$ 1,939,482</u>	<u>\$ 23,451,328</u>	<u>\$ 127,866,656</u>

See accompanying notes to consolidated financial statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Consolidated Statement of Activities Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenue			
Gross campaign results (2023/2024)	\$ 18,130,220	\$ 441,466	\$ 18,571,686
Less donor designations	(3,617,947)	-	(3,617,947)
Less provision for uncollectible	(2,123,300)	-	(2,123,300)
Net campaign revenue (2023/2024)	<u>12,388,973</u>	<u>441,466</u>	<u>12,830,439</u>
Gross campaign results (2022/2023)	4,635,752	1,610,843	6,246,595
Change in provision for uncollectible	(55,294)	-	(55,294)
Net campaign revenue (2022/2023)	<u>4,580,458</u>	<u>1,610,843</u>	<u>6,191,301</u>
Gross campaign results (2021/2022)	1,050,339	13,782	1,064,121
Change in provision for uncollectible	(319,109)	-	(319,109)
Net campaign revenue (2021/2022)	<u>731,230</u>	<u>13,782</u>	<u>745,012</u>
Other contributions	650,638	223,365	874,003
Designations from other United Ways	129,642	-	129,642
Service fees	286,747	-	286,747
Grants and contracts	7,217,673	1,087,712	8,305,385
Income on beneficial interest in charitable trusts	310,572	973,551	1,284,123
Net investment return	2,533,927	116,710	2,650,637
Net realized gain/(loss) on investments	722,621	238,281	960,902
Net unrealized gain/(loss) on investments	3,782,068	310,112	4,092,180
Fair value change of beneficial interest in charitable trusts	-	1,515,864	1,515,864
Donated materials and services	55,263	-	55,263
Miscellaneous income	293,432	-	293,432
Net assets released from restrictions	<u>4,218,838</u>	<u>(4,218,838)</u>	<u>-</u>
Total Public Support and Revenue	37,902,082	2,312,848	40,214,930
Expenses			
Program services			
Grants and distributions	23,430,096	-	23,430,096
Less donor designations	(3,617,947)	-	(3,617,947)
Net grants and distributions	<u>19,812,149</u>	<u>-</u>	<u>19,812,149</u>
Other program services	6,129,310	-	6,129,310
Total program services	<u>25,941,459</u>	<u>-</u>	<u>25,941,459</u>
Supporting services	6,505,795	-	6,505,795
Total Expenses	<u>32,447,254</u>	<u>-</u>	<u>32,447,254</u>
Change in net assets	5,454,828	2,312,848	7,767,676
Net assets, beginning of year	<u>84,736,985</u>	<u>23,451,328</u>	<u>108,188,313</u>
Net assets, end of year	<u>\$ 90,191,813</u>	<u>\$ 25,764,176</u>	<u>\$ 115,955,989</u>

See accompanying notes to consolidated financial statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Consolidated Statement of Activities Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenue			
Gross campaign results (2021/2022)	\$ 18,857,412	\$ 1,364,480	\$ 20,221,892
Less donor designations	(5,177,202)	-	(5,177,202)
Less provision for uncollectible	(1,817,000)	-	(1,817,000)
Net campaign revenue (2021/2022)	<u>11,863,210</u>	<u>1,364,480</u>	<u>13,227,690</u>
Gross campaign results (2020/2021)	3,818,853	351,143	4,169,996
Change in provision for uncollectible	636,042	-	636,042
Net campaign revenue (2020/2021)	<u>4,454,895</u>	<u>351,143</u>	<u>4,806,038</u>
Gross campaign results (2019/2020)	478,352	-	478,352
Change in provision for uncollectible	1,783,284	-	1,783,284
Net campaign revenue (2019/2020)	<u>2,261,636</u>	<u>-</u>	<u>2,261,636</u>
Other contributions	1,288,754	485,472	1,774,226
Designations from other United Ways	209,050	-	209,050
Service fees	231,105	-	231,105
Grants and contracts	14,807,693	1,902,947	16,710,640
Income on beneficial interest in charitable trusts	466,700	473,807	940,507
Net investment return	1,466,258	81,552	1,547,810
Net realized gain/(loss) on investments	(460,118)	17,458	(442,660)
Net unrealized gain/(loss) on investments	(6,871,427)	(898,189)	(7,769,616)
Fair value change of beneficial interest in charitable trusts	-	(3,768,826)	(3,768,826)
Donated materials and services	183,500	-	183,500
Miscellaneous income	317,863	-	317,863
Net assets released from restrictions	<u>2,684,855</u>	<u>(2,684,855)</u>	<u>-</u>
Total Public Support and Revenue	32,903,974	(2,675,011)	30,228,963
Expenses			
Program services			
Grants and distributions	32,316,114	-	32,316,114
Less donor designations	(5,177,202)	-	(5,177,202)
Net grants and distributions	<u>27,138,912</u>	<u>-</u>	<u>27,138,912</u>
Other program services	4,879,117	-	4,879,117
Total program services	<u>32,018,029</u>	<u>-</u>	<u>32,018,029</u>
Supporting services	6,055,447	-	6,055,447
Total Expenses	38,073,476	-	38,073,476
Change in net assets	<u>(5,169,502)</u>	<u>(2,675,011)</u>	<u>(7,844,513)</u>
Net assets, beginning of year	<u>89,906,487</u>	<u>26,126,339</u>	<u>116,032,826</u>
Net assets, end of year	<u>\$ 84,736,985</u>	<u>\$ 23,451,328</u>	<u>\$ 108,188,313</u>

See accompanying notes to consolidated financial statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**Consolidated Statement of Functional Expenses
Year Ended December 31, 2023**

	Program Services			Supporting Services			Total
	Community Impact	Direct Services	Program Services Total	Organizational Administration General	Fundraising	Supporting Services Total	
Grants and distributions	\$ 23,430,096	\$ -	\$ 23,430,096	\$ -	\$ -	-	\$ 23,430,096
Less donor designations	(3,617,947)	-	(3,617,947)	-	-	-	(3,617,947)
Sub-Total	19,812,149	-	19,812,149	-	-	-	19,812,149
Salaries	1,967,184	1,348,068	3,315,252	1,459,980	1,963,694	3,423,674	6,738,926
Payroll taxes	212,099	138,569	350,668	163,902	202,273	366,175	716,843
Employee benefits	158,136	94,737	252,873	106,539	144,405	250,944	503,817
Sub-Total	2,337,419	1,581,374	3,918,793	1,730,421	2,310,372	4,040,793	7,959,586
Contract services	449,273	345,658	794,931	295,827	180,714	476,541	1,271,472
Office expense	43,087	40,650	83,737	83,886	46,748	130,634	214,371
Printing and publications	29,837	21,887	51,724	18,769	62,043	80,812	132,536
Information technology	309,378	219,383	528,761	248,675	335,925	584,600	1,113,361
Occupancy	262,267	276,816	539,083	223,444	191,453	414,897	953,980
Advertising and promotions	82,795	16,160	98,955	7,611	34,777	42,388	141,343
Travel	28,197	42,885	71,082	5,155	16,321	21,476	92,558
Meetings and events	58,196	136,628	194,824	7,841	34,272	42,113	236,937
Staff development	20,396	4,801	25,197	20,344	8,299	28,643	53,840
Dues	114,141	67,902	182,043	77,717	109,017	186,734	368,777
Insurance	28,296	23,486	51,782	44,392	24,933	69,325	121,107
Miscellaneous	27,604	36,954	64,558	34,702	7,883	42,585	107,143
Depreciation and amortization	199,136	134,725	333,861	147,423	196,831	344,254	678,115
Sub-Total	1,652,603	1,367,935	3,020,538	1,215,786	1,249,216	2,465,002	5,485,540
Less interdepartmental expenses	-	(810,021)	(810,021)	-	-	-	(810,021)
Total expenses	<u>\$ 23,802,171</u>	<u>\$ 2,139,288</u>	<u>\$ 25,941,459</u>	<u>\$ 2,946,207</u>	<u>\$ 3,559,588</u>	<u>\$ 6,505,795</u>	<u>\$ 32,447,254</u>

See accompanying notes to consolidated financial statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**Consolidated Statement of Functional Expenses
Year Ended December 31, 2022**

	Program Services			Supporting Services			Total
	Community Impact	Direct Services	Program Services Total	Organizational Administration General	Fundraising	Supporting Services Total	
Grants and distributions	\$ 32,094,488	\$ 221,626	\$ 32,316,114	\$ -	\$ -	-	\$ 32,316,114
Less donor designations	(5,177,202)	-	(5,177,202)	-	-	-	(5,177,202)
Sub-Total	26,917,286	221,626	27,138,912	-	-	-	27,138,912
Salaries	1,651,213	1,018,933	2,670,146	1,486,446	1,553,857	3,040,303	5,710,449
Payroll taxes	117,985	85,285	203,270	105,898	120,309	226,207	429,477
Employee benefits	201,082	122,089	323,171	209,109	201,289	410,398	733,569
Sub-Total	1,970,280	1,226,307	3,196,587	1,801,453	1,875,455	3,676,908	6,873,495
Contract services	380,906	146,345	527,251	351,634	144,932	496,566	1,023,817
Office expense	167,765	42,119	209,884	120,817	43,751	164,568	374,452
Printing and publications	12,758	19,298	32,056	15,320	40,715	56,035	88,091
Information technology	248,771	169,425	418,196	30,288	217,226	247,514	665,710
Occupancy	458,397	106,849	565,246	450,296	242,059	692,355	1,257,601
Advertising and promotions	200,161	8,170	208,331	25,272	27,018	52,290	260,621
Travel	15,217	3,408	18,625	3,599	3,176	6,775	25,400
Meetings and events	97,555	21,445	119,000	21,858	37,160	59,018	178,018
Staff development	2,797	1,192	3,989	3,606	9,293	12,899	16,888
Dues	100,848	61,631	162,479	94,863	100,141	195,004	357,483
Insurance	26,251	4,914	31,165	32,688	20,829	53,517	84,682
Miscellaneous	29,927	15,018	44,945	50,051	13,202	63,253	108,198
Depreciation and amortization	157,312	97,912	255,224	143,833	149,741	293,574	548,798
Sub-Total	1,898,665	697,726	2,596,391	1,344,125	1,049,243	2,393,368	4,989,759
Less interdepartmental expenses	(24,000)	(889,861)	(913,861)	(14,829)	-	(14,829)	(928,690)
Total expenses	\$ 30,762,231	\$ 1,255,798	\$ 32,018,029	\$ 3,130,749	\$ 2,924,698	\$ 6,055,447	\$ 38,073,476

See accompanying notes to consolidated financial statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**Consolidated Statement of Cash Flows
Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 7,767,676	\$ (7,844,513)
Adjustments to reconcile change in net assets to cash from operating activities:		
Net realized (gains) losses on investments	(960,902)	442,660
Net unrealized (gains) losses on investments	(4,092,180)	7,769,616
Depreciation and amortization	678,115	548,798
Net loss on disposal of assets	27,440	17,093
Change in fair value of beneficial interest in charitable trusts	(1,515,863)	3,768,826
Noncash contribution of beneficial interest in charitable trusts	(564,172)	-
Provision for uncollectible contributions receivable	2,499,973	(468,963)
Change in cash value of life insurance	13,175	5,297
Changes in:		
Contributions and accounts receivable	979,081	(586,051)
Other current and long-term assets and liabilities	(1,448,543)	1,354,738
Grants and accounts payable and accrued expenses	(256,666)	(1,326,985)
	<u>3,127,134</u>	<u>3,680,516</u>
Cash flows from investing activities		
Proceeds from sale of investments	63,119,376	56,735,559
Purchases of investments	(61,201,011)	(68,411,098)
Purchase of property and equipment	(2,175,747)	(506,417)
Proceeds from repayment of notes receivable	127,981	263,549
	<u>(129,401)</u>	<u>(11,918,407)</u>
Net change in cash and cash equivalents	2,997,733	(8,237,891)
Cash and cash equivalents, beginning of year	<u>10,266,590</u>	<u>18,504,481</u>
Cash and cash equivalents, end of year	<u>\$ 13,264,323</u>	<u>\$ 10,266,590</u>
Supplemental Cash Flow Information		
Property and equipment purchases in accounts payable	\$ 225,865	\$ 82,886

See accompanying notes to consolidated financial statements

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements

NOTE A ORGANIZATION

United Way of Greater Cincinnati (UWGC) fights for the economic well-being of all people in Greater Cincinnati so our entire community can thrive — now and in the future.

Our strategy is organized around three pillars. Each conveys a unique approach to driving evolving, yet sustained systems change in our region.

We advocate: We amplify community voice and experience. We develop and advance research, data, tools and recommendations to educate stakeholders and drive action.

We take action: We develop and deploy high-impact solutions to address community-identified needs. We collaborate to achieve shared objectives and create community-owned solutions.

We invest: We support individuals and families in crisis. We fund partners to advance innovative solutions and address systemic challenges to prevent future needs.

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

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

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

1. Community Impact

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

The three pathways of our Community Impact department are deeply interconnected: centering Educational Success, creating Financial Empowerment and well-being, and preserving Housing Security. The strategies work together to make our region more equitable and prosperous for all people.

Educational Success: We fight to improve the odds so tomorrow's leaders can build a better foundation today. We know education is not limited to the walls of a classroom. We work to ensure children get a strong start in life, teenagers have the tools necessary to learn and grow, and young adults are positioned to thrive in the job market.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE A ORGANIZATION

1. Community Impact (Continued)

Financial Empowerment: We want to put every person, in every community, on a path toward financial empowerment. That starts with access to services, job training, credit counseling and money management programs. When families are stable, our communities are stronger and everyone wins.

Housing Security: We help build stable financial foundations for families in low-income communities by addressing the quality and affordability of housing. We rely on locally informed regional collaborations. We believe that asset building provides greater opportunities for families to sustain intergenerational economic well-being.

2. Direct Services

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

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

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

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

3. Fundraising

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

4. Organizational Administration

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

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation

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

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Principles of Consolidation (Continued)

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

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

2. Financial Statement Presentation

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

3. Cash and Cash Equivalents

UWGC considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2023 and 2022, cash equivalents consisted primarily of money market mutual funds.

UWGC’s cash accounts exceeded federally insured limits by approximately \$12,683,000 and \$7,577,000 at December 31, 2023 and 2022, respectively.

4. Contributions Receivable

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

5. Investments and Net Investment Return

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

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

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Land, Buildings and Equipment

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

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

No asset impairment was recognized during the year ended December 31, 2023 and 2022.

7. Contributions

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

Nature of the Gift

Value Recognized

Conditional gifts, with or without restriction - Gifts that depend on the UWGC overcoming a donor imposed barrier to be entitled to the funds

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

Unconditional gifts, with or without restriction - Received at date of gift – cash and other assets

Fair value

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

Estimated fair value

Expected to be collected within one year

Net realizable value

Collected in future years

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

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.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Contributions (Continued)

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

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

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction. There were no conditional contributions as of December 31, 2023 and 2022.

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

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

8. Donated Materials and Services

Contributions of materials and services are recognized as revenue at their estimated fair value. Donated services are recognized only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Donated materials and services in 2023 and 2022 are without donor restriction and total approximately \$55,000 and \$183,500, respectively, and primarily includes advertising that is provided over television networks in the region to promote United Way.

9. Grants Expense

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

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Functional Allocation of Expenses

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

11. Net Assets

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

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

12. Effect of Adopting New Accounting Standard

In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with more useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by UWGC that are subject to the guidance in FASB ASC 326 are notes receivable and trade accounts receivable. UWGC adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements.

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.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

16. Reclassifications

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

17. Change to Fiscal Year End

To better align with campaign and grant timing, UWGC is changing from a December 31 calendar year end to a June 30 fiscal year end. This will be effective beginning January 1, 2024 with a June 30, 2024 fiscal year end.

NOTE C REVENUE FROM CONTRACTS WITH THIRD PARTIES

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

Service Fee Revenue

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

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

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

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**Notes to Consolidated Financial Statements
(Continued)**

NOTE D CONTRIBUTIONS RECEIVABLE

Contributions receivable without donor-imposed restrictions and the related allowance for uncollectible contributions at December 31 consisted of the following:

	<u>Contributions Receivable</u>	<u>Allowance for Uncollectible</u>	<u>Net Contributions Receivable</u>
2023			
Campaign 2023-2024	\$ 12,316,243	\$ (2,123,300)	\$ 10,192,943
Campaign 2022-2023	<u>2,947,469</u>	<u>(1,872,294)</u>	<u>1,075,175</u>
	<u>\$ 15,263,712</u>	<u>\$ (3,995,594)</u>	<u>\$ 11,268,118</u>
2022			
Campaign 2022-2023	\$ 13,083,311	\$ (1,817,000)	\$ 11,266,311
Campaign 2021-2022	<u>3,873,441</u>	<u>(1,794,858)</u>	<u>2,078,583</u>
	<u>\$ 16,956,752</u>	<u>\$ (3,611,858)</u>	<u>\$ 13,344,894</u>

In addition, UWGC has donor-imposed restricted contributions at December 31 as follows:

	<u>2023</u>	<u>2022</u>
Within one year	\$ 804,180	\$ 1,309,268
One to five years	<u>55,000</u>	<u>41,030</u>
	859,180	1,350,298
Less: present value component	<u>(2,348)</u>	<u>(17,134)</u>
Total multi-year contributions receivable	<u>\$ 856,832</u>	<u>\$ 1,333,164</u>

Discount rates were 4.46% and 4.29% for 2023 and 2022, respectively.

NOTE E ACCOUNTS RECEIVABLE

Accounts receivable at December 31 consisted of the following:

	<u>Without Donor Restrictions Operating</u>	<u>Custodial</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2023				
Interest and dividends	\$ 215,118	\$ -	\$ -	\$ 215,118
Grant receivables	285,001	-	-	285,001
Other receivables	<u>89,075</u>	<u>-</u>	<u>-</u>	<u>89,075</u>
	<u>\$ 589,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589,194</u>
2022				
Interest and dividends	\$ 203,507	\$ -	\$ -	\$ 203,507
Grant receivables	75,000	-	1,000,000	1,075,000
Other receivables	<u>236,633</u>	<u>-</u>	<u>-</u>	<u>236,633</u>
	<u>\$ 515,140</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 1,515,140</u>

All accounts were deemed collectible as of December 31, 2023 and 2022.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE F CHARITABLE TRUST AGREEMENTS

UWGC is the beneficiary of several perpetual trusts. Under the terms of these agreements, UWGC is to receive income earned on trust assets annually for its use into perpetuity. At the time UWGC is notified of its interest, the fair value of UWGC's interest in these perpetual trusts is recorded as a contribution with donor restrictions and a beneficial interest in the charitable trust. The estimated value of expected future cash flows is evaluated annually and any change in value is classified as with donor restrictions. The value of perpetual trusts for the year ended December 31, 2023 and 2022 was \$7,772,922 and \$7,051,455, respectively, which includes \$577,022 at both years ended that is included in investments held in endowment on the statement of financial position.

UWGC is also the beneficiary of several charitable remainder trusts. Under the terms of these agreements, the beneficiaries designated by the donor receive periodic distributions from the trust for either a specified dollar amount or a specified percentage of the trust's fair market value over the trust's term. Upon termination of the trust, UWGC receives its entire portion of the assets remaining in the trust. The value of charitable remainder trusts for the year ended December 31, 2023 and 2022 was \$10,017,198 and \$8,658,630, respectively.

At the time UWGC is notified of its interest, the present value of the estimated future benefits to be received is recorded as a contribution with donor restrictions and a beneficial interest in charitable trust. Income received from beneficial interests in charitable trusts for the year ended December 31, 2023 and 2022 was \$1,284,123 and \$940,507, respectively. The estimated value of expected future cash flows is evaluated annually and any change in value is classified as with donor restrictions.

NOTE G NOTES RECEIVABLE

On January 1, 2018, UWGC made a \$400,000 investment in United Way Digital Holdings, LLC (UWDH, LLC). On December 31, 2018, the investment interest was assumed by United Way Worldwide (UWW) in exchange for a note receivable for \$400,000 payable to UWGC. The note has an interest rate of 2.72% per annum accrued. The principal will be repaid in four equal installments of \$100,000 starting December 1, 2020, through December 1, 2023. The balance of the note receivable at December 31, 2023 and 2022 was \$0, and \$100,000, respectively.

In 2021, UWGC entered into two promissory note agreements with two organizations. The notes were set up for obligations under the defined benefit pension plan (see Note I). One promissory note is a three-year note with a 5% per annum interest rate. Principal payments are repaid monthly starting December 1, 2021 through November 1, 2024. The other promissory note is an eight-year note with a 3% per annum interest rate. This promissory note was restructured in 2023 and principal payments are repaid monthly starting May 20, 2023 through April 20, 2031. The balance of the notes receivable as of December 31, 2023 and 2022 was \$207,241 and \$235,222, respectively.

All notes were deemed collectible as of December 31, 2023 and 2022.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE H LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment at December 31 consisted of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
2023			
Land and land improvements	\$ 473,132	\$ (69,390)	\$ 403,742
Buildings and improvements	15,628,916	(4,870,203)	10,758,713
Office furniture and equipment	2,455,937	(1,123,530)	1,332,407
Vehicles	35,608	(35,608)	-
Projects in process	<u>30,980</u>	<u>-</u>	<u>30,980</u>
Total	<u>\$ 18,624,573</u>	<u>(6,098,731)</u>	<u>12,525,842</u>
2022			
Land and land improvements	\$ 744,968	(338,581)	406,387
Buildings and improvements	14,092,801	(4,424,200)	9,668,601
Office furniture and equipment	1,696,118	(1,471,368)	224,750
Vehicles	35,608	(35,608)	-
Projects in process	<u>530,049</u>	<u>-</u>	<u>530,049</u>
Total	<u>\$ 17,099,544</u>	<u>\$ (6,269,757)</u>	<u>\$ 10,829,787</u>

NOTE I PENSION PLAN AND RETIREMENT PLANS

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

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

UWGC has a defined contribution plan covering substantially all employees. The Board of Directors annually determines the amount, if any, UWGC contributes to the plan. Retirement expense for the defined contribution plan for the year ended December 31, 2023 and 2022 was \$159,851 and \$135,508, respectively, and is included in employee benefits expenses. There was no non-elective contribution accrual for 2023 or 2022.

UWGC also has a 457(b) voluntary defined contribution plan for certain highly compensated employees. The participants are able to choose a portfolio of deferred compensation investments offered by UWGC. Due to the nature of the 457(b) plan, until the amounts are paid to the participants in the plan, all amounts invested are the UWGC's assets and are subject to the UWGC's creditors.

Participants are immediately vested in the 457(b) plan. During 2023 and 2022, \$63,000 and \$60,000, respectively, was earned and accrued and recorded in salaries expense. The amount recognized as deferred compensation liability was \$154,041 and \$117,564 as of December 31, 2023 and 2022.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**Notes to Consolidated Financial Statements
(Continued)**

NOTE J NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Use in future periods	\$ 975,440	\$ 828,829
Held as beneficial interest in charitable trusts	10,017,198	8,658,630
Perpetual in nature	7,772,922	7,051,455
Black Led Social Change	539,751	921,213
Project Lift	210,023	773,893
Stable Families	600,460	703,200
Various purpose restrictions	<u>5,648,381</u>	<u>4,514,108</u>
Total	<u>\$ 25,764,175</u>	<u>\$ 23,451,328</u>

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

	<u>2023</u>	<u>2022</u>
Expiration of time restrictions	\$ 58,376	\$ 259,946
Satisfaction or purpose restrictions:		
Black Led Social Change	605,403	308,695
Project Lift	958,893	567,749
Stable Families	703,200	-
Success By 6	-	156,229
Various purpose restrictions	1,260,648	643,738
Distributions (proceeds are not restricted by donors)		
Beneficial interest in charitable trusts held by others	<u>-</u>	<u>35,600</u>
	3,586,520	1,971,957
Restricted-purpose spending-rate distributions and appropriations	<u>632,318</u>	<u>712,898</u>
Total	<u>\$ 4,218,838</u>	<u>\$ 2,684,855</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**Notes to Consolidated Financial Statements
(Continued)**

NOTE K NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at December 31 consisted of the following:

	<u>2023</u>	<u>2022</u>
Undesignated UWGC net assets as follows		
Amounts invested in land, buildings and equipment, or designated by the Board for such purposes	<u>\$ 12,525,843</u>	<u>\$ 12,997,013</u>
Total Undesignated	12,525,843	12,997,013
UWGC assets designated by the Board as follows:		
Campaign distribution for operating budget	8,597,954	8,158,600
Campaign distribution for undetermined allocations	18,472,213	16,646,521
2020 major donor investments	6,010,169	6,077,639
UWGC program initiatives	36,779	132,497
Board restricted investments	-	198,674
Other designations	34,236	65,334
Foundation allocations for operating and capital budgets	1,020,600	1,078,700
Foundation designated for UWGC campaign	6,929,138	6,326,706
Foundation designated for endowment	15,988,195	14,430,502
UWGC operating reserves	4,828,531	2,765,694
2020 major donor investment balance	<u>15,748,155</u>	<u>15,859,105</u>
Total Board Designated	<u>77,665,970</u>	<u>71,739,972</u>
Total	<u><u>\$ 90,191,813</u></u>	<u><u>\$ 84,736,985</u></u>

NOTE L 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 comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 8,157,764	\$ 6,321,240
Contributions receivable, net	11,268,118	13,344,894
Accounts receivable	589,194	515,140
Investments	50,658,001	50,173,767
Investments held in endowment	<u>20,898,313</u>	<u>20,081,913</u>
	91,571,390	90,436,954
Less Foundation investments unavailable for general expenditure	(507,400)	(1,071,236)
Less board designated amounts not available for general expenditure within one year	<u>(62,674,706)</u>	<u>(58,533,245)</u>
Total	<u><u>\$ 28,389,284</u></u>	<u><u>\$ 30,832,473</u></u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE L LIQUIDITY AND AVAILABILITY (CONTINUED)

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 \$22,374,779 and \$20,368,619 as of December 31, 2023 and 2022, respectively, is subject to an annual spending rate of 5% as described in Note P. Although UWGC does not intend to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

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

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

NOTE M RELATED PARTY TRANSACTIONS

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

NOTE N INVESTMENTS AND OTHER FAIR VALUE MEASUREMENTS

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

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

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE N INVESTMENTS AND OTHER FAIR VALUE MEASUREMENTS (CONTINUED)

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

	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)	
2023				
Investments and Interest in				
Assets at Community Foundations				
Common stock	\$ 34,868,453	\$ 34,868,453	\$ -	\$ -
Corporate bonds	21,627,789	-	21,627,789	-
Treasury bonds	3,707,980	-	3,707,980	-
Equity mutual funds	3,511	3,511	-	-
Fixed income mutual funds	493,607	493,607	-	-
Money market investments	1,046,113	1,046,113	-	-
Pooled debt and equity funds	11,517,814	-	11,517,814	-
U.S. government securities	1,611,839	-	1,611,839	-
Private equity funds	2,769,505	-	-	2,769,505
Total	\$ 77,646,611	\$ 36,411,684	\$ 38,465,422	\$ 2,769,505
Beneficial interest in charitable trusts	\$ 17,213,098	\$ -	\$ 17,213,098	\$ -
2022				
Investments and Interest in				
Assets at Community Foundations				
Common stock	\$ 8,943,096	\$ 8,943,096	\$ -	\$ -
Corporate bonds	30,920,569	-	30,920,569	-
Treasury bonds	1,102,303	-	1,102,303	-
Equity mutual funds	17,207,732	17,207,732	-	-
Fixed income mutual funds	57,564	57,564	-	-
Money market investments	1,125,388	1,125,388	-	-
Pooled debt and equity funds	10,819,796	-	10,721,022	98,774
U.S. government securities	629,164	-	629,164	-
Hedge funds	1,418,896	-	-	1,418,896
Private equity funds	2,287,385	-	-	2,287,385
Total	\$ 74,511,893	\$ 27,333,780	\$ 43,373,058	\$ 3,805,055
Beneficial interest in charitable trusts	15,133,063	\$ -	\$ 15,133,063	\$ -

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE N INVESTMENTS AND OTHER FAIR VALUE MEASUREMENTS (CONTINUED)

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

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2023.

Investments and Interests in Assets Held at Community Foundations

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

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 funds.

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.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE N INVESTMENTS AND OTHER FAIR VALUE MEASUREMENTS (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 consisted of the following:

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
2023				
Private equity funds	\$ 2,596,371	\$ -	Monthly	45 days
Private equity funds	<u>\$ 173,134</u>	<u>\$ -</u>	N/A	N/A
2022				
Private equity funds	\$ 2,287,385	\$ -	Monthly	45 days
Hedge funds	<u>\$ 1,418,896</u>	<u>\$ -</u>	Quarterly	65 days

UWGC's alternative investments 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 O ENDOWMENT

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

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**Notes to Consolidated Financial Statements
(Continued)**

NOTE O ENDOWMENT (CONTINUED)

The composition of net assets by type of endowment fund at December 31 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2023			
Donor-restricted endowment funds	\$ -	\$ 4,791,293	\$ 4,791,293
Board-designated endowment funds	<u>22,374,779</u>	<u>-</u>	<u>\$ 22,374,779</u>
Total endowment funds	<u>\$ 22,374,779</u>	<u>\$ 4,791,293</u>	<u>\$ 27,166,072</u>
2022			
Donor-restricted endowment funds	\$ -	\$ 4,367,576	\$ 4,367,576
Board-designated endowment funds	<u>20,368,619</u>	<u>-</u>	<u>20,368,619</u>
Total endowment funds	<u>\$ 20,368,619</u>	<u>\$ 4,367,576</u>	<u>\$ 24,736,195</u>

On the consolidated statement of financial position, endowment funds are included in cash and cash equivalents and investments held in endowment.

Changes in endowment net assets for the year ended December 31, 2023 were:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2023			
Endowment net assets, beginning of year	\$ 20,368,619	\$ 4,367,576	\$ 24,736,195
Investment return:			
Investment income	1,595,739	362,656	1,958,395
Net appreciation	<u>1,344,908</u>	<u>288,329</u>	<u>1,633,237</u>
Total investment return	2,940,647	650,985	3,591,632
Contributions	318,217	409,379	727,596
Appropriation of endowment assets for expenditure	(1,225,953)	(636,647)	(1,862,600)
Other changes	<u>(26,751)</u>	<u>-</u>	<u>(26,751)</u>
Endowment net assets, end of year	<u>\$ 22,374,779</u>	<u>\$ 4,791,293</u>	<u>\$ 27,166,072</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**Notes to Consolidated Financial Statements
(Continued)**

NOTE O ENDOWMENT (CONTINUED)

Changes in endowment net assets for the year ended December 31, 2022 were:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2022			
Endowment net assets, beginning of year	\$ 24,105,206	\$ 5,451,661	\$ 29,556,867
Investment return:			
Investment income	396,709	99,008	495,717
Net appreciation	<u>(3,584,669)</u>	<u>(898,189)</u>	<u>(4,482,858)</u>
Total investment return	\$ (3,187,960)	\$ (799,181)	\$ (3,987,141)
Contributions	733,698	473,807	1,207,505
Appropriation of endowment assets for expenditure	(1,274,002)	(723,098)	(1,997,100)
Other changes	<u>(8,323)</u>	<u>(35,613)</u>	<u>(43,936)</u>
Endowment net assets, end of year	<u>\$ 20,368,619</u>	<u>\$ 4,367,576</u>	<u>\$ 24,736,195</u>

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, 2023 and 2022.

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.

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Consolidated Financial Statements (Continued)

NOTE O ENDOWMENT (CONTINUED)

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

NOTE P CONCENTRATIONS

Contributions from one corporate donor and its employees were approximately 29% and 23% of total contributions revenue in 2023 and 2022, respectively.

NOTE Q CONTINGENCIES

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

NOTE R SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 14, 2024, which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**Consolidating Statement of Financial Position
December 31, 2023**

	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	Operating	Custodial	Restrictions		
Assets											
Cash and cash equivalents	\$ 7,229,586	\$ 2,050,580	\$ 2,878,525	\$ 928,178	\$ 177,454	\$ -	\$ -	\$ 8,157,764	\$ 2,050,580	\$ 3,055,979	\$ 13,264,323
Contributions receivable	15,263,712	-	856,832	-	-	-	-	15,263,712	-	856,832	16,120,544
Less allowance for uncollectible	(3,995,594)	-	-	-	-	-	-	(3,995,594)	-	-	(3,995,594)
Accounts receivable	567,372	-	1,020,600	243,935	-	(222,113)	(1,020,600)	589,194	-	-	589,194
Investments	50,150,601	-	-	507,400	-	-	-	50,658,001	-	-	50,658,001
Investments held in endowment	-	-	-	20,898,313	4,628,552	-	-	20,898,313	-	4,628,552	25,526,865
Beneficial interest in charitable trusts	-	-	1,087,700	-	16,125,398	-	-	-	-	17,213,098	17,213,098
Interest in assets at other foundations	-	-	-	1,461,745	-	-	-	1,461,745	-	-	1,461,745
Other current assets	307,473	-	-	335,162	9,714	-	-	642,635	-	9,714	652,349
Notes receivable	207,241	-	-	-	-	-	-	207,241	-	-	207,241
Land, buildings and equipment, net	12,525,842	-	-	-	-	-	-	12,525,842	-	-	12,525,842
Total assets	\$ 82,256,233	\$ 2,050,580	\$ 5,843,657	\$ 24,374,733	\$ 20,941,118	\$ (222,113)	\$ (1,020,600)	\$ 106,408,853	\$ 2,050,580	\$ 25,764,175	\$ 134,223,608
Liabilities and Net Assets											
Liabilities											
Grants and designations payable	\$ 14,193,140	\$ 1,927,578	\$ -	\$ 1,457,400	\$ -	\$ (1,153,965)	\$ -	\$ 14,496,575	\$ 1,927,578	\$ -	\$ 16,424,153
Accounts payable	1,169,427	-	-	-	-	(88,748)	-	1,080,679	-	-	1,080,679
Accrued expenses	572,112	-	-	-	-	-	-	572,112	-	-	572,112
Other liabilities	67,674	123,002	-	-	-	-	-	67,674	123,002	-	190,676
Total liabilities	16,002,353	2,050,580	-	1,457,400	-	(1,242,713)	-	16,217,040	2,050,580	-	18,267,620
Net Assets											
Undesignated	12,525,843	-	-	-	-	-	-	12,525,843	-	-	12,525,843
Designated by the Board	53,728,037	-	-	22,917,333	-	1,020,600	-	77,665,970	-	-	77,665,970
Perpetual in nature	-	-	1,087,700	-	6,685,222	-	-	-	-	7,772,922	7,772,922
Purpose restrictions	-	-	3,612,555	-	13,417,058	-	(13,800)	-	-	17,015,813	17,015,813
Time-restricted for future periods	-	-	1,143,402	-	838,838	-	(1,006,800)	-	-	975,440	975,440
Total net assets	66,253,880	-	5,843,657	22,917,333	20,941,118	1,020,600	(1,020,600)	90,191,813	-	25,764,175	115,955,988
Total liabilities and net assets	\$ 82,256,233	\$ 2,050,580	\$ 5,843,657	\$ 24,374,733	\$ 20,941,118	\$ (222,113)	\$ (1,020,600)	\$ 106,408,853	\$ 2,050,580	\$ 25,764,175	\$ 134,223,608

See independent auditors' report

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Consolidating Statement of Activities For the Year Ended December 31, 2023

	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
Public Support and Revenue									
Gross campaign results (2023/2024)	\$ 18,533,820	\$ 441,466	\$ -	\$ -	\$ (403,600)	\$ -	\$ 18,130,220	\$ 441,466	\$ 18,571,686
Less donor designations	(3,617,947)	-	-	-	-	-	(3,617,947)	-	(3,617,947)
Less provision for uncollectible	(2,123,300)	-	-	-	-	-	(2,123,300)	-	(2,123,300)
Net campaign revenue (2023/2024)	12,792,573	441,466	-	-	(403,600)	-	12,388,973	441,466	12,830,439
Gross campaign results (2022/2023)	4,635,752	1,610,843	-	-	-	-	4,635,752	1,610,843	6,246,595
Change in provision for uncollectible	(55,294)	-	-	-	-	-	(55,294)	-	(55,294)
Net campaign revenue (2022/2023)	4,580,458	1,610,843	-	-	-	-	4,580,458	1,610,843	6,191,301
Gross campaign results (2021/2022)	1,050,339	13,782	-	-	-	-	1,050,339	13,782	1,064,121
Change in provision for uncollectible	(319,109)	-	-	-	-	-	(319,109)	-	(319,109)
Net campaign revenue (2021/2022)	731,230	13,782	-	-	-	-	731,230	13,782	745,012
Other contributions	804,335	1,240,765	189,479	-	(343,176)	(1,017,400)	650,638	223,365	874,003
Designations from other United Ways	129,642	-	-	-	-	-	129,642	-	129,642
Service fees	286,747	-	-	-	-	-	286,747	-	286,747
Grants and contracts	7,217,673	1,087,712	-	-	-	-	7,217,673	1,087,712	8,305,385
Income on beneficial interest in charitable trusts	-	-	310,572	973,551	-	-	310,572	973,551	1,284,123
Net investment return	2,031,381	-	502,546	116,710	-	-	2,533,927	116,710	2,650,637
Net realized gain/(loss) on investments	(379,373)	-	1,101,994	238,281	-	-	722,621	238,281	960,902
Net unrealized gain/(loss) on investments	2,458,943	-	1,323,125	310,112	-	-	3,782,068	310,112	4,092,180
Fair value change of beneficial interest in charitable trusts	-	121,763	-	1,394,101	-	-	-	1,515,864	1,515,864
Donated materials and services	55,263	-	-	-	-	-	55,263	-	55,263
Miscellaneous income	301,503	-	(8,071)	-	-	-	293,432	-	293,432
Net assets released from restrictions	4,658,269	(4,658,269)	636,069	(636,069)	(1,075,500)	1,075,500	4,218,838	(4,218,838)	-
Total Public Support and Revenue	35,668,644	(141,938)	4,055,714	2,396,686	(1,822,276)	58,100	37,902,082	2,312,848	40,214,930
Expenses									
Program services									
Grants and distributions	23,331,172	-	1,862,600	-	(1,763,676)	-	23,430,096	-	23,430,096
Less donor designations	(3,617,947)	-	-	-	-	-	(3,617,947)	-	(3,617,947)
Net grants and distributions	19,713,225	-	1,862,600	-	(1,763,676)	-	19,812,149	-	19,812,149
Other program services	6,129,310	-	-	-	-	-	6,129,310	-	6,129,310
Total program services	25,842,535	-	1,862,600	-	(1,763,676)	-	25,941,459	-	25,941,459
Supporting services	6,473,306	-	32,989	-	(500)	-	6,505,795	-	6,505,795
Total Expenses	32,315,841	-	1,895,589	-	(1,764,176)	-	32,447,254	-	32,447,254
Change in Net Assets	3,352,803	(141,938)	2,160,125	2,396,686	(58,100)	58,100	5,454,828	2,312,848	7,767,676
Net Assets at Beginning of Year	62,901,077	5,985,595	20,757,208	18,544,433	1,078,700	(1,078,700)	84,736,985	23,451,328	108,188,313
Net Assets at End of Year	\$ 66,253,880	\$ 5,843,657	\$ 22,917,333	\$ 20,941,119	\$ 1,020,600	\$ (1,020,600)	\$ 90,191,813	\$ 25,764,176	\$ 115,955,989

See independent auditor's report

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023**

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Pass- through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
U.S. Department of Health and Human Services: <i>Passed through Commonwealth of Kentucky</i> Medical Assistance Program	N/A	93.778	\$ 43,235
<i>Passed through United Way of Central Ohio</i> Temporary Assistance for Needy Families (TANF)	N/A	93.558	122,302
<i>Passed through Ohio Department of Jobs and Family Services</i> Temporary Assistance for Needy Families (TANF)	G-2425-17-0203	93.558	<u>10,624</u>
Total 93.558			<u>132,926</u>
<i>Passed through Ohio Children's Trust Fund</i> Community-Based Child Abuse Prevention	2101OHBCC6	93.590	<u>109,984</u>
Total U.S. Department of Health and Human Services:			<u>286,145</u>
U.S. Department of Homeland Security: Emergency Food and Shelter National Board Program	N/A	97.024	4,053
U.S. Department of Commerce: <i>Passed through Ohio Department of Development</i> Regional Digital Inclusion	39-30-DP076	11.032	125,000
Federal Communications Commission: Affordable Connectivity Outreach Grant Program	ACOGP2340153	32.011	34,784
U.S. Department of the Treasury: Volunteer Income Tax Assistance (VITA) Matching Grant	N/A	21.009	114,787
<i>Passed through Board of County Commissioners, Hamilton County, Ohio</i> Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	831,607
<i>Passed through Hamilton County Department of Jobs and Family Services</i> Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	18,668
<i>Passed through SEI READI, Inc.</i> Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	<u>51,634</u>
Total 21.027			<u>901,909</u>
Total U.S. Department of Treasury			<u>1,016,696</u>
Total expenditures of federal awards			<u>\$ 1,466,678</u>

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2023

NOTE A BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of United Way of Greater Cincinnati and Subsidiary for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented on this schedule may differ from those amounts presented in, or used in, the preparation of the basic consolidated financial statements.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C INDIRECT COST RATE

United Way of Greater Cincinnati and Subsidiary has elected to use the indirect cost rate of 37.5% allowed under Uniform Guidance.

NOTE D SUBRECIPIENT CONSIDERATION

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

See independent auditor's report

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of United Way of Greater Cincinnati and Subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2023, 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 June 14, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barnes, Dennig & Co., Ltd.

June 14, 2024
Cincinnati, Ohio

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited United Way of Greater Cincinnati and Subsidiary's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of United Way of Greater Cincinnati and Subsidiary's major federal programs for the year ended December 31, 2023. United Way of Greater Cincinnati and Subsidiary's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, United Way of Greater Cincinnati and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis of Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

Report on Internal Control Over Compliance

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

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

Report on Internal Control Over Compliance (Continued)

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

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

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

Barnes, Dennig & Co., Ltd.

June 14, 2024
Cincinnati, Ohio

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2023**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of Major Programs

FALN	Name of Federal Programs or Clusters
21.027	Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Section II – Financial Statement Findings

No matters are reportable

Section III – Federal Award Findings and Questioned Costs

No matters are reportable

UNITED WAY OF GREATER CINCINNATI AND SUBSIDIARY

**Summary Schedule of Prior Audit Findings
Year Ended December 31, 2023**

Reference Number	Summary of Finding	Status
No matters are reportable		