

INDEPENDENT AUDITORS' REPORT  
**UNITED WAY OF KNOX COUNTY OHIO, INC.**

December 31, 2021

## CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	5
STATEMENTS OF ACTIVITIES	6
STATEMENTS OF CHANGES IN NET ASSETS	7
STATEMENTS OF FUNCTIONAL EXPENSES	8-9
STATEMENTS OF CASH FLOWS	10
NOTES TO FINANCIAL STATEMENTS	11

Independent Auditors' Report

Board of Directors  
United Way of Knox County Ohio, Inc.

**Opinion**

We have audited the accompanying financial statements of United Way of Knox County Ohio, Inc. (a nonprofit Ohio corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Knox County Ohio, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Knox County Ohio, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

*Wilson, Shanna & Sons, Inc.*

Newark, Ohio  
July 29, 2022

**United Way of Knox County Ohio, Inc.**

STATEMENTS OF FINANCIAL POSITION

ASSETS	December 31	
	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 318,913	\$ 659,035
Contributions receivable - net	109,548	254,064
Beneficial interest in assets held by foundation	1,029,952	658,223
Property and equipment - net	223,168	186,044
Prepaid expenses and deposits	3,235	3,347
Total assets	\$ 1,684,816	\$ 1,760,713
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 5,916	\$ -
Accrued payroll and benefits	4,327	3,463
Allocations payable to partner agencies	663,041	642,127
Donor designations payable		
United Way partner agencies	18,459	21,857
Other area United Ways	6,363	10,588
Capital lease obligation	15,339	2,386
Total liabilities	713,445	680,421
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	885,889	1,070,075
Board designated	60,864	-
With donor restrictions	24,618	10,217
Total net assets	971,371	1,080,292
Total liabilities and net assets	\$ 1,684,816	\$ 1,760,713

The accompanying notes are an integral part of this statement.

**United Way of Knox County Ohio, Inc.**

STATEMENTS OF ACTIVITIES

	Year ended December 31	
	2021	2020
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Public support and revenue		
Public support		
Annual campaign results		
Campaign results	\$ 592,043	\$ 776,886
Less donor designations	(23,579)	(30,109)
Less campaign pledges with donor restrictions	(59,465)	(62,414)
Plus allowance for uncollectible pledges	1,772	6,059
Net campaign revenues	510,771	690,422
Additional prior year campaign revenues	310,446	146,295
Contributions	-	7,269
Total public support	821,217	843,986
Revenue		
Investment income - net	121,770	75,547
Administrative fees	282	251
Total revenue	122,052	75,798
Total public support and revenue	943,269	919,784
Net assets released from restrictions	45,064	74,631
	988,333	994,415
Expenses		
Program services		
Partner agency program allocations	638,041	642,127
Agency coordinated programs	298,265	296,869
	936,306	938,996
Supporting services		
Management and general	76,509	77,598
Fundraising	98,840	75,777
Direct benefits to donors	-	1,999
	175,349	155,374
Total expenses	1,111,655	1,094,370
Decrease in net assets without donor restrictions	(123,322)	(99,955)
NET ASSETS WITH DONOR RESTRICTIONS		
Campaign pledges	59,465	62,414
Contributions, sponsorships and fundraisers	-	22,434
Restrictions satisfied by payments	(45,064)	(74,631)
Increase in net assets with donor restrictions	14,401	10,217
Decrease in net assets	\$ (108,921)	\$ (89,738)

The accompanying notes are an integral part of this statement.

United Way of Knox County Ohio, Inc.

STATEMENTS OF CHANGES IN NET ASSETS

Years ended December 31, 2021 and 2020

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Balance at December 31, 2019	\$ 1,170,030	\$ -	\$ 1,170,030
Change in net assets	<u>(99,955)</u>	<u>10,217</u>	<u>(89,738)</u>
Balance at December 31, 2020	1,070,075	10,217	1,080,292
Change in net assets	<u>(123,322)</u>	<u>14,401</u>	<u>(108,921)</u>
Balance at December 31, 2021	<u>\$ 946,753</u>	<u>\$ 24,618</u>	<u>\$ 971,371</u>

The accompanying notes are an integral part of this statement.

United Way of Knox County Ohio, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2021

	Program Services		Supporting Services			Total Expense 2021
	Allocations / Agency Programs	Management and General	Fund Raising	Direct Benefits to Donors	Total Supporting Services	
Salaries and wages	\$ 108,547	\$ 41,540	\$ 48,330	\$ -	\$ 89,870	\$ 198,417
Payroll taxes and benefits	16,416	6,282	7,309	-	13,591	30,007
Total salaries and related expenses	124,963	47,822	55,639	-	103,461	228,424
Professional fees	-	8,782	-	-	8,782	8,782
Rent and utilities	1,824	547	1,276	-	1,823	3,647
Repairs and maintenance	3,053	916	2,137	-	3,053	6,106
Software and licenses	12,321	6,161	6,161	-	12,322	24,643
Insurance	-	3,315	-	-	3,315	3,315
Publicity	1,583	132	923	-	1,055	2,638
Postage	917	367	550	-	917	1,834
Telephone	2,607	869	869	-	1,738	4,345
Office supplies	3,067	256	1,788	-	2,044	5,111
Dues and subscriptions	2,275	506	2,276	-	2,782	5,057
Bank charges	-	2,611	-	-	2,611	2,611
Payroll processing fees	-	1,940	-	-	1,940	1,940
Printing expense	2,841	1,014	203	-	1,217	4,058
Payments to affiliated organizations	9,169	-	9,169	-	9,169	18,338
Conferences and meetings	593	593	297	-	890	1,483
Travel	221	-	25	-	25	246
Campaign expenses	1,565	-	14,090	-	14,090	15,655
Special events expense	-	-	-	-	-	-
Agency training/contributions	15,381	-	-	-	-	15,381
Agency programs	102,652	-	-	-	-	102,652
Allocations expense	656,500	-	-	-	-	656,500
Less allocations funded through designations	(18,459)	-	-	-	-	(18,459)
Interest expense	-	163	-	-	163	163
Loss on disposal of fixed asset	5,121	199	1,330	-	1,529	6,650
Total expenses before depreciation	928,194	76,193	96,733	-	172,926	1,101,120
Depreciation expense	8,112	316	2,107	-	2,423	10,535
Total expenses	\$ 936,306	\$ 76,509	\$ 98,840	\$ -	\$ 175,349	\$ 1,111,655

The accompanying notes are an integral part of this statement.



United Way of Knox County Ohio, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2020

	Program Services		Supporting Services			Total Expense 2020
	Allocations/ Agency Programs	Management and General	Fund Raising	Direct Benefits to Donors	Total Supporting Services	
Salaries and wages	\$ 111,176	\$ 45,182	\$ 40,171	\$ -	\$ 85,353	\$ 196,529
Payroll taxes and benefits	18,700	7,599	6,757	-	14,356	33,056
Total salaries and related expenses	129,876	52,781	46,928	-	99,709	229,585
Professional fees	-	9,000	-	-	9,000	9,000
Rent and utilities	1,801	540	1,260	-	1,800	3,601
Repairs and maintenance	1,784	535	1,248	-	1,783	3,567
Software and licenses	5,229	3,922	3,922	-	7,844	13,073
Insurance	-	3,514	-	-	3,514	3,514
Publicity	5,381	449	3,139	-	3,588	8,969
Postage	1,593	637	955	-	1,592	3,185
Telephone	2,575	858	858	-	1,716	4,291
Office supplies	1,022	85	596	-	681	1,703
Dues and subscriptions	1,684	375	1,684	-	2,059	3,743
Bank charges	-	1,332	-	-	1,332	1,332
Payroll processing fees	-	1,975	-	-	1,975	1,975
Printing expense	2,905	264	2,113	-	2,377	5,282
Payments to affiliated organizations	7,778	-	7,778	-	7,778	15,556
Conferences and meetings	752	752	377	-	1,129	1,881
Travel	1,127	-	125	-	125	1,252
Campaign expenses	325	-	2,931	-	2,931	3,256
Special events expense	-	-	107	1,999	2,106	2,106
Agency training/contributions	8,940	-	-	-	-	8,940
Agency programs	117,336	-	-	-	-	117,336
Allocations expense	663,984	-	-	-	-	663,984
Less allocations funded through designations	(21,857)	-	-	-	-	(21,857)
Interest expense	-	315	-	-	315	315
Total expenses before depreciation	932,235	77,334	74,021	1,999	153,354	1,085,589
Depreciation expense	6,761	264	1,756	-	2,020	8,781
Total expenses	\$ 938,996	\$ 77,598	\$ 75,777	\$ 1,999	\$ 155,374	\$ 1,094,370

The accompanying notes are an integral part of this statement.

United Way of Knox County Ohio, Inc.

STATEMENTS OF CASH FLOWS

	Year ended December 31	
	2021	2020
Cash flows from operating activities		
Changes in net assets	\$ (108,921)	\$ (89,738)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Depreciation	10,535	8,781
Loss on disposal of fixed assets	6,650	-
Provision for losses on contributions receivable	(1,772)	(6,059)
Changes in assets and liabilities		
Contributions receivable	146,288	212,495
Prepaid expenses and deposits	112	-
Beneficial interest in assets held by foundation	(371,729)	(75,193)
Accounts payable	5,916	(7,805)
Accrued expenses	864	(6,229)
Allocations payable to partner agencies	20,914	4,723
Donor designations payable	<u>(7,623)</u>	<u>(3,754)</u>
Net cash (used in) provided by operating activities	(298,766)	37,221
Cash flows from investing activities		
Purchases of property and equipment	<u>(38,759)</u>	<u>(7,106)</u>
Net cash (used in) investing activities	(38,759)	(7,106)
Cash flows from financing activities		
Principal payments under capital lease obligations	<u>(2,597)</u>	<u>(2,709)</u>
Net cash (used in) financing activities	<u>(2,597)</u>	<u>(2,709)</u>
Net (decrease) increase in cash and cash equivalents	(340,122)	27,406
Cash and cash equivalents at beginning of year	<u>659,035</u>	<u>631,629</u>
Cash and cash equivalents at end of year	\$ <u><u>318,913</u></u>	\$ <u><u>659,035</u></u>
<b><u>Supplemental schedule of non-cash disclosures</u></b>		
Purchase of equipment under capital lease	\$ <u><u>15,550</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of this statement.

## United Way of Knox County Ohio, Inc.

### NOTES TO FINANCIAL STATEMENTS

#### NOTE A – ORGANIZATION AND ACCOUNTING POLICIES

United Way of Knox County Ohio, Inc. (the Organization) is organized to improve the quality of people's lives throughout Knox County by efficiently raising and responsibly distributing funds to a collaborative agency network. The Organization also serves as the steward of donor contributions, investing in programs that measurably impact community needs in all parts of Knox County.

The majority of United Way of Knox County Ohio, Inc.'s funding to carry out the above purposes is received in the annual campaign drive of the Organization. Approximately 88% and 89% of public support and revenue came from its campaigns during 2021 and 2020, respectively.

A summary of the major accounting policies followed by the Organization in the preparation of the accompanying financial statements is set forth below:

#### Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### Net Assets

##### *Net Assets without Donor Restrictions*

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes.

##### *Net Assets with Donor Restrictions*

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as assets without donor restrictions and reported on the statements of activities as net assets released from restriction. Pledges received by the Organization, which the donor has designated to a specified third party agency, are considered to be agent transactions. The assets received from such transactions are not considered as revenue to the Organization and are shown as a reduction in total campaign revenues in the statements of activities.

#### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted, highly liquid, investments with an initial maturity of three months or less to be cash equivalents.

The Organization maintains its cash and cash equivalents in one financial institution in Mount Vernon, Ohio. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents and had no uninsured balance at December 31, 2021 or 2020.

## United Way of Knox County Ohio, Inc.

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

#### NOTE A – ORGANIZATION AND ACCOUNTING POLICIES - CONTINUED

##### Pledges Receivable

All contributions are considered available for unrestricted use, unless specifically restricted by the donor. Pledges are recorded in the statement of financial position when the Organization is notified of the pledge, and allowances are provided for amounts estimated as uncollectible. All pledges receivable are due within one year.

##### Property and Equipment

Major purchased property and equipment improvements and additions are charged to the property accounts at cost while replacements, maintenance, and repairs which do not extend the life of the assets are expensed currently. Depreciation is computed on the straight-line basis over the estimated useful life of the asset, which varies from 3 to 40 years. Cost and related accumulated depreciation of property sold or otherwise retired are relieved from the accounts and the resulting gains and losses are reflected in the statement of activities.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

##### Investments

Investments are stated at fair value. Donated investments are recorded as contributions at their fair value on the date of receipt and are classified according to donor restrictions or lack thereof. The Organization's policy for donated stock is for it to be immediately sold. As such and in accordance with FASB ASC 230, *Statement of Cash Flows*, the Organization classifies the cash receipts from the sale of donated stock as operating cash flows in the statement of cash flows.

##### Revenue Recognition

###### *Contribution revenue*

The Organization recognizes contributions received and pledges (unconditional promises to give) made as revenue in the period received or pledge is made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There were no conditional promise to give for the years ended December 31, 2021 and 2020.

## United Way of Knox County Ohio, Inc.

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

#### NOTE A – ORGANIZATION AND ACCOUNTING POLICIES - CONTINUED

##### Allocations Expense

Amounts allocated to other nonprofit organizations are shown on the statement of functional expenses as program services. Allocations to be paid from amounts designated by donors to those organizations are shown as allocations funded through designations in the statement of functional expenses.

##### Expense Allocation

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specified function of the Organization are reported as expenses for those functional areas and expenses not directly attributable are estimated by the Organization's management.

##### Estimates

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

##### Income Taxes

United Way of Knox County Ohio, Inc. is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ending 2018, 2019, 2020, and 2021 are subject to examination by the IRS, generally for three years after they were filed.

##### Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standard Update (ASU) No. 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing an organizations right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for entities with fiscal years beginning after December 15, 2021 with early adoption permitted. Management is currently evaluating the impact of this ASU on its financial statements.

**United Way of Knox County Ohio, Inc.**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B – CASH FLOW DISCLOSURES

<u>Supplemental Cash Flow Disclosures</u>	<u>Year ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Interest paid	\$ <u>163</u>	\$ <u>315</u>

NOTE C – CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of the following at December 31:

	<u>2021</u>	<u>2020</u>
Pledges receivable:		
Due in less than one year		
2019 Campaign	\$ -	\$ 43,416
2020 Campaign	26,702	243,648
2021 Campaign	<u>102,846</u>	-
Total contributions receivable	129,548	287,064
Less allowance for uncollectible pledges	<u>(20,000)</u>	<u>(33,000)</u>
	\$ <u>109,548</u>	\$ <u>254,064</u>

The allowance for uncollectible pledges is based on a five-year average of 1.21%.

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment owned by the Organization consists of the following at December 31:

	<u>Cost or Other Basis</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
<u>2021</u>			
Building	\$ 179,286	\$ 35,016	\$ 144,270
Furniture and equipment	57,836	23,288	34,548
Land	<u>44,350</u>	-	<u>44,350</u>
	\$ <u>281,472</u>	\$ <u>58,304</u>	\$ <u>223,168</u>
<u>2020</u>			
Building	\$ 141,886	\$ 17,282	\$ 124,604
Furniture and equipment	54,227	37,137	17,090
Land	<u>44,350</u>	-	<u>44,350</u>
	\$ <u>240,463</u>	\$ <u>54,419</u>	\$ <u>186,044</u>

NOTE E – BENEFICIAL INTEREST IN ASSETS HELD BY FOUNDATION

An Endowment Fund was established in 1995 with the Community Foundation of Mount Vernon and Knox County (the Foundation) whereby the principal and earnings could be invested and then transferred to United Way of Knox County Ohio, Inc. at the discretion of the Organization. In addition, this Fund collects donations from the general public to support United Way.

**United Way of Knox County Ohio, Inc.**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE E – BENEFICIAL INTEREST IN ASSETS HELD BY FOUNDATION - CONTINUED

The Foundation has no variance power to redirect any contributions or earnings at its discretion. Thus, contributions from the general public to the Fund are recognized as an asset and liability by the Foundation upon their receipt and will be recognized as income by United Way of Knox County Ohio, Inc. in the year received by the Foundation. The information presented is provided by the Foundation and is represented to be at fair value.

	<u>2021</u>	<u>2020</u>
Beneficial interest at beginning of the year	\$ 658,223	\$ 583,030
Net investment income	128,618	79,637
Contributions – transfer from UWKC	250,000	-
Administration fees	<u>(6,889)</u>	<u>(4,444)</u>
Beneficial interest at the end of the year	\$ <u>1,029,952</u>	\$ <u>658,223</u>

NOTE F – DEFINED CONTRIBUTION PLAN

During 2020, the Organization started a 401(k) retirement plan that allows elective employee contributions and a discretionary employer match. The Organization elected to match 3% of employee deferrals during the years ended December 31, 2021 and 2020. For the years ended December 31, 2021 and 2020, expense under the plan was \$5,849 and \$6,106, respectively.

NOTE G – RELATED PARTY TRANSACTIONS

Included in payments to affiliated organizations for the years ended December 31, 2021 and 2020 are annual dues to United Way Worldwide, the national organization, of \$18,338 and \$15,556, respectively.

NOTE H – DONATED MATERIALS AND SERVICES

The Organization records the value of donated goods or services when there is an objective basis available to measure their value. During the years ended December 31, 2021 and 2020, the Organization was the recipient of donations with a total fair market value, as determined by the contributors, of none and \$550, respectively.

These donations for 2021 and 2020 consist of program supplies. The donations of goods and services are included in the statement of activities as part of unrestricted contributions and the expenses thereof are included in the statement of functional expenses as part of agency programs for 2021 and 2020.

The Organization has also received services donated by various individuals to assist the Organization in its program services and fund raising campaign. These donated services are not reported in the accompanying financial statements because there is no objective method or basis to measure the value of such services.

**United Way of Knox County Ohio, Inc.**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions shown on the statement of financial position consist of the following at December 31:

	2021	2020
Imagination Library	\$ 17,293	\$ 10,217
Tutoring Initiative	<u>7,325</u>	<u>-</u>
	<u>\$ 24,618</u>	<u>\$ 10,217</u>

NOTE J – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has financial assets available within one year of the balance sheet date to meet cash needs for general expenditure (such as for 2021 allocations payable in 2022 of \$638,041) consisting of cash of \$318,913, contributions receivable (net) of \$109,548 and short-term investments of \$1,029,952. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year. The Organization is required by their by-laws to maintain financial assets, which consist of cash and short-term investments, on hand to meet 150 days of normal operating expenses, which are, on average, approximately \$450,000 over that time. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE K – LEASE COMMITMENTS

The Organization leased a copier through a leasing company under a long-term lease agreement that expired in September 2021 and renewed the lease with a new agreement that will expire in February 2027. This leasing arrangement is being accounted for as a capital lease.

The capitalized cost, accumulated depreciation, and depreciation expense relating to these capital leases were as follows at December 31:

	2021	2020
Capitalized cost	\$ 15,550	\$ 13,300
Less accumulated depreciation	<u>247</u>	<u>5,653</u>
	<u>\$ 15,303</u>	<u>\$ 7,647</u>
Depreciation expense	<u>\$ 1,244</u>	<u>\$ 1,330</u>



**United Way of Knox County Ohio, Inc.**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE K – LEASE COMMITMENTS - CONTINUED

The following is a schedule by years of future minimum payments required under the lease together with its present value at December 31, 2021:

Year ended December 31:

	<u>Amount</u>
2022	3,450
2023	3,450
2024	3,450
2025	3,451
2026	3,451
Thereafter	<u>587</u>
	17,839
Less: amounts representing interest	<u>2,500</u>
Present value of minimum lease payments	15,339
Current maturities of capital lease obligation	<u>2,614</u>
Long-term portion of capital lease obligation	<u>\$ 12,725</u>

NOTE L – CONCENTRATIONS

For the years ended December 31, 2021 and 2020, approximately 18% and 14%, respectively, of total public support and revenue was received from one donor company. This percentage ranged from as low as 14% up to 46% from 2017 to 2021.

NOTE M – BOARD DESIGNATED NET ASSETS COMPOSITION

The Organization has set aside net assets through a board designation for purposes they would like to fulfill in the future. The purpose and amounts of these funds are as follows for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Timely Grant Allocations	<u>\$60,864</u>	<u>\$ -</u>

NOTE N – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 29, 2022, the date the financial statements were available to be issued.