

**UNITED WAY OF HANCOCK COUNTY, INC.**

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2020 and 2019**

# United Way of Hancock County, Inc.

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**FRUTH & COMPANY, PLL**  
CERTIFIED PUBLIC ACCOUNTANTS  
**Independent Auditors' Report**

Board of Directors  
United Way of Hancock County, Inc.  
Findlay, Ohio

We have audited the accompanying financial statements of the United Way of Hancock County, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of December 31, 2020 and 2019, and the related statements of revenues, expenses, and changes in net assets – modified cash basis and functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements.

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

The Organization's management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

**Auditors' Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of the United Way of Hancock County, Inc. as of December 31, 2020 and 2019, and its support, revenue and expense for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

*Fruth & Company, PLL*

Fruth & Company, PLL

Findlay, Ohio  
September 24, 2021

**United Way of Hancock County, Inc.**  
**Statements of Assets, Liabilities and Net Assets – Modified Cash Basis**  
**December 31, 2020 and 2019**

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Cash – Unrestricted	\$ 1,564,197	1,612,480
Cash – Funds Held for Others	13,406	12,415
Promises to Give, Less Allowance for Uncollectible Promises (2018-2019 Campaign)	0	52,133
Promises to Give, Less Allowance for Uncollectible Promises (2019-2020 Campaign)	20,256	1,463,517
Promises to Give, Less Allowance for Uncollectible Promises (2020-2021 Campaign)	1,227,397	0
Notes Receivable, Affiliate	0	18,201
Account Receivable, Affiliate	373	1,107
Prepaid Campaign Expenses (2019-2020 Campaign)	0	342,121
Prepaid Campaign Expenses (2020-2021 Campaign)	235,831	0
Office Furniture and Fixtures at Cost, Less Accumulated Depreciation of \$75,251 and \$71,813	<u>37,278</u>	<u>27,571</u>
Total Assets	<u>\$ 3,098,738</u>	<u>3,529,545</u>
<b>Liabilities</b>		
Other United Ways Payable (2018-2019) Campaign	\$ 0	56,537
Accrued Expenses and Payroll Liabilities	105	13,277
Other Grants Payable	28,027	74,494
Refundable Advances 2019-2020 Campaign		
Agency Designations Payable	0	112,655
Other United Way Payables	0	134,215
Partner Agency Payables	0	95,251
Refundable Advances 2020-2021 Campaign		
Agency Designations Payable	143,769	0
Other United Way Payables	22,579	0
Partner Agency Payables	74,771	0
Deferred Revenue Payments Received (2019-2020 Campaign)	0	986,207
Deferred Revenue for Promises to Give, Net of Allowance (2019-2020 Campaign)	0	1,463,517
Deferred Revenue Payments Received (2020-2021 Campaign)	482,190	0
Deferred Revenue for Promises to Give, Net of Allowance (2020-2021 Campaign)	<u>1,247,753</u>	<u>0</u>
Total Liabilities	1,999,194	2,936,153
<b>Net Assets</b>		
Without Donor Restrictions	1,058,449	475,235
With Donor Restrictions	<u>41,095</u>	<u>118,157</u>
Total Net Assets	<u>1,099,544</u>	<u>593,392</u>
Total Liabilities and Net Assets	<u>\$ 3,098,738</u>	<u>3,529,545</u>

See accompanying notes.

**United Way of Hancock County, Inc.**  
**Statements of Revenues, Expenses and Changes in Net Assets – Modified Cash Basis**  
**For the Years Ended December 31, 2020 and 2019**

<b>Net Assets Without Donor Restrictions</b>	<b>2020</b>	<b>2019</b>
Revenues and Other Support 2019-2020 Campaign		
Campaign Revenue Received for 2019 – 2020 Campaign	\$ 1,545,597	0
Restrictions Released Due to Time – Net of Designations	986,207	0
Less Donor Designations and Other United Ways and Agencies Restricted in 2019	(155,787)	0
Less Allowance for Uncollectibles	<u>(102,072)</u>	<u>0</u>
Total 2019-2020 Campaign Revenues	2,273,945	0
Revenues and Other Support 2018-2019 Campaign		
Campaign Revenue Received for 2018 – 2019 Campaign	174,989	526,866
Restrictions Released Due to Time – Net of Designations	0	2,580,720
Restrictions Released Due to Purpose	0	80,013
Less Donor Designations and Other United Ways and Agencies Restricted in 2018	0	(354,863)
Less Donor Designations and Other United Ways and Agencies	0	(54,654)
Less Allowance for Uncollectibles	<u>0</u>	<u>(96,009)</u>
Total 2018-2019 Campaign Revenues	2,448,934	2,682,073
PPP Funds	106,200	0
Investment Related Income and Transfers from the Foundation	59,707	229,408
Special Events Income (Net)	1,397	35,110
Miscellaneous Contributions	122,469	2,856
Other Income	4,240	11,005
Restrictions Satisfied by Payments	<u>80,128</u>	<u>0</u>
Total Revenues, Gains and Other Support Without Donor Restrictions	2,823,075	2,960,452
<b>Expenses</b>		
Grants to Partner Agencies and for Initiatives	1,645,509	1,579,541
Program Expenses	190,860	259,081
Fundraising Expenses	182,240	235,686
Management and General Expenses	<u>221,252</u>	<u>266,444</u>
Total Expenses	<u>2,239,861</u>	<u>2,340,753</u>
Change in Net Assets Without Donor Restrictions	583,214	619,699

See accompanying notes.

**United Way of Hancock County, Inc.**  
**Statements of Revenues, Expenses and Changes in Net Assets – Modified Cash Basis**  
**For the Years Ended December 31, 2020 and 2019**

<b>Net Assets With Donor Restrictions</b>	<b>2020</b>	<b>2019</b>
Campaign Revenue Received for Other United Ways and Donor Designations	0	56,537
Halt Hunger and FYP Net Assets and Revenues	226,811	274,445
Halt Hunger and FYP Expenses	(223,745)	(273,166)
Net Assets Released from Restrictions: Restrictions Satisfied by Payments	<u>(80,128)</u>	<u>(80,013)</u>
Change in Net Assets with Donor Restrictions	<u>(77,062)</u>	<u>(22,197)</u>
Total Change in Net Assets	506,152	597,502
Total Net Assets, Beginning of the Year	593,392	1,897,264
Beginning Net Asset Entry for Change in Accounting Principle	<u>0</u>	<u>(1,901,374)</u>
Total Net Assets, End of Year	<u>\$ 1,099,544</u>	<u>593,392</u>

See accompanying notes.

**United Way of Hancock County, Inc.**  
**Statement of Functional Expenses – Modified Cash Basis**  
**For the Year Ended December 31, 2020**

	<b>Programs</b>	<b>Fund Raising</b>	<b>Management and General</b>	<b>Total</b>
<b>Personnel Expenses</b>				
Salaries and Wages	\$ 112,663	107,576	106,155	326,394
Employee Benefits	20,359	19,440	19,183	58,982
Payroll Taxes	<u>10,818</u>	<u>10,330</u>	<u>10,194</u>	<u>31,342</u>
Total Personnel Expenses	143,840	137,346	135,532	416,718
<b>Operating Expenses</b>				
IT Services	13,567	12,954	12,783	39,304
Legal and Professional Fees	3,168	3,025	2,985	9,178
Occupancy	3,074	2,935	2,897	8,906
Office Supplies	1,694	1,617	1,596	4,907
Campaign and Marketing Expense	6,390	6,101	6,021	18,512
Conferences and Meetings	1,328	1,268	1,251	3,847
Memberships	3,685	3,519	3,472	10,676
Insurance	2,299	2,195	2,166	6,660
Finance Fees	1,900	1,814	1,791	5,505
Repair and Maintenance	472	450	444	1,366
Rent	7,830	7,477	7,378	22,685
Miscellaneous	426	406	401	1,233
United Way Dues	0	0	41,417	41,417
Depreciation	<u>1,187</u>	<u>1,133</u>	<u>1,118</u>	<u>3,438</u>
Total Operating Expense	<u>47,020</u>	<u>44,894</u>	<u>85,720</u>	<u>177,634</u>
 Total Operating and Personnel Expenses	 <u>\$ 190,860</u>	 <u>182,240</u>	 <u>221,252</u>	 <u>594,352</u>

See accompanying notes.



**United Way of Hancock County, Inc.**  
**Statement of Functional Expenses – Modified Cash Basis**  
**For the Year Ended December 31, 2019**

	<b>Programs</b>	<b>Fund Raising</b>	<b>Management and General</b>	<b>Total</b>
<b>Personnel Expenses</b>				
Salaries and Wages	\$147,301	140,650	138,792	426,743
Employee Benefits	30,767	29,378	28,990	89,135
Payroll Taxes	<u>12,488</u>	<u>11,924</u>	<u>11,767</u>	<u>36,179</u>
Total Personnel Expenses	190,556	181,952	179,549	552,057
<b>Operating Expenses</b>				
IT Services	14,989	14,312	14,123	43,424
Legal and Professional Fees	13,194	12,599	12,432	38,225
2-1-1 Fees	12,250	0	0	12,250
Occupancy	2,982	2,847	2,809	8,638
Office Supplies	2,630	2,511	2,478	7,619
Campaign and Marketing Expense	7,999	7,638	7,537	23,174
Conferences and Meetings	2,245	2,143	2,115	6,503
Memberships	1,247	1,191	1,175	3,613
Insurance	1,979	1,890	1,865	5,734
Finance Fees	2,883	2,752	2,716	8,351
Repair and Maintenance	844	806	795	2,445
Rent	205	196	193	594
Miscellaneous	3,208	3,063	3,021	9,292
United Way Dues	0	0	33,874	33,874
Depreciation	<u>1,870</u>	<u>1,786</u>	<u>1,762</u>	<u>5,418</u>
Total Operating Expense	<u>68,525</u>	<u>53,734</u>	<u>86,895</u>	<u>209,154</u>
Total Operating and Personnel Expenses	<u>\$ 259,081</u>	<u>235,686</u>	<u>266,444</u>	<u>761,211</u>

See accompanying notes.

**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The United Way of Hancock County, Inc. is a community organization whose mission is to measurably improve lives in Hancock County. This is realized primarily by funding programs and services of nineteen partner youth, health and human care agencies, in Findlay and the surrounding communities, as well as community-minded initiatives. Revenues are received primarily from corporate and individual donors during the annual campaign.

**Basis of Accounting**

The Organization prepares its financial statements on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis, revenues are recorded when received rather than when earned and expenses are recognized when paid rather than when incurred. Consequently, the Organization has not recognized campaign revenue receivable, a beneficial interest in a perpetual trust, accounts payable to vendors or their related effects on the change in net assets in the accompanying financial statements.

In previous years, the Organization prepared its financial statements using accounting principles generally accepted in the United States of America. Since some of those principles differed from the principles used for modified cash basis, the Organization provided a change to net assets for differences between the bases of assets and liabilities for financial statement and modified cash basis reporting. In 2019, it adopted the modified cash basis of accounting as the basis for its financial statements. The accompanying 2019 financial statements have been adjusted to conform with the new basis of accounting. Because of the differences from accounting principles generally accepted in the United States of America described in this note, net assets at the beginning of 2019 are approximately \$1,901,374 lower than the amounts previously reported.

**Basis of Presentation**

The financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, Not-for-Profit Entities, Presentation of Financial Statements. During 2018, the Organization adopted the provisions of Accounting Standards Update (“ASU”) 2016-14: Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities. Accordingly, the accounts of the Organization are reported in the following net asset categories:

**Net Assets without Donor Restrictions**

Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors.

**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Assets with Donor Restrictions**

Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditure.

**Office Furniture and Fixtures**

Office furniture and fixtures are recorded at cost on items over \$1,000. Depreciation of office furniture and fixtures is provided on a straight-line basis over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to costs and expensed as incurred.

**Promises to Give**

Contributions are recognized as revenue when the donor makes a payment to the Organization. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on a 10-year rolling average and management's analysis of specific promises made.

The Organization also records an asset and a corresponding liability for any unconditional promises to give made for the future year campaign. They will also record a prepaid expense and payable for any expenses related to the future year campaign. This does not modify cash and does not have impact on the statement of revenues, expenses and changes in net assets. When recording these future year campaign amounts, they are reduced by the allowance for uncollectible promises. The amount of the future year receivable and corresponding liability that is related to the uncollectible amount is \$71,233 as of December 31, 2020.

**Tax Exemption**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization's Forms 990, *Returns of Organization Exempt from Income Tax*, for the years ending 2017, 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they were filed.

**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Payments to Affiliate Organizations**

Payments to affiliate organizations (United Way Worldwide and Ohio United Way) are set by those organizations at a predetermined percentage of campaign, and the payment is authorized by the United Way of Hancock County Board of Directors. For the years ended December 31, 2020 and 2019, payments were \$41,417 and \$33,874, respectively, made to these affiliate organizations.

**Estimates**

The preparation of financial statements in conformity with modified cash basis of accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities – modified cash basis and in the statements of functional expenses - modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Paycheck Protection Program**

During the year, the Organization received proceeds under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for forgivable loans to qualifying organizations as long as the organization maintains its payroll levels and uses the proceeds for eligible purposes, including payroll, benefits, rent, and utilities, over a “covered period” (eight or 24 weeks, not to extend beyond December 31, 2020). Up to 100% of a loan is forgivable. The forgiveness amount will be reduced if the organization terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The Organization intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period. See Note 14.

The Organization expects to meet the PPP’s eligibility criteria, and concludes that the PPP loan represents, in substance, a grant that is expected to be forgiven. Accordingly, the Organization has initially recorded the loan as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan or when such conditions are explicitly waived.

**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Organization has interpreted the conditions of the grant to be the incurrence of eligible expenditures, adjusted for any decrease in full time equivalents and or salary/wage limitations, during a covered period of either 8 or 24 weeks and the submission of the forgiveness application, at which time the Organization will recognize as grant revenue the amount expected to be forgiven per the application.

**NOTE 2 – CONCENTRATIONS OF CONTRIBUTIONS**

During 2020 and 2019, the Organization received approximately 79% of its annual contributions from four corporations and their employees, located within Findlay and the surrounding communities.

**NOTE 3 – NET ASSETS**

The Organization’s Board of Directors has chosen to place the following limitations on net assets without donor restrictions:

	<b>2020</b>	<b>2019</b>
Board Designated – General	\$ 5,000	5,000
Undesignated Net Assets	<u>1,053,449</u>	<u>470,235</u>
Total Net Assets Without Donor Restrictions	<u>\$ 1,058,449</u>	<u>475,235</u>

Net assets with donor restrictions are available for the following purposes:

	<b>2020</b>	<b>2019</b>
Other United Way	\$ 0	56,537
Other Designations	38,029	60,341
Halt Hunger and FYP	<u>3,066</u>	<u>1,279</u>
Total Net Assets with Donor Restrictions	<u>\$ 41,095</u>	<u>118,157</u>

**NOTE 4 – INVESTMENTS AT COMMUNITY FOUNDATION**

United Way of Hancock County Inc. is the beneficiary of the Margaret Foster Fund at the Findlay-Hancock County Community Foundation. As of December 31, 2020 and 2019, these funds amounted to \$4,474 and \$4,379, respectively, which is made up of funds contributed entirely by outside donors. A distribution is available to be received by the Organization at least annually. Neither the Organization nor the Community Foundation has variance power over the fund. This fund is not reported in the attached statement of financial position – modified cash basis because the Organization does not have any access to the principal of these funds.

**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

**NOTE 5 – TAX DEFERRED ANNUITY**

The agency contributes to a SEP IRA plan that each compensated employee must set up with their own broker. The Organization contributes 7% of each employee’s salary towards the plan. The expense recognized by the Organization was \$18,698 and \$28,207 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 6 – SUMMARY OF GRANTS PAID TO AGENCIES**

Grants paid to member partners include current year grants paid, as well as special grants to member partners that were paid in the current year. These grants were paid as follows:

Partner Agencies	<b>2020</b>	<b>2019</b>
Children’s Mentoring Connection	\$ 109,783	90,000
Boy Scouts	20,427	19,977
Camp Fire Boys and Girls	2,262	70,000
Cancer Patient Services	141,782	140,000
HHWP Community Action Commission	192,882	191,100
Open Arms Council on Domestic Violence, Inc.	251,982	244,417
Girl Scouts	11,782	4,010
American Red Cross	12,386	19,972
Hope House for the Homeless	183,346	208,000
Family Resource Center	73,564	90,685
Kidney Foundation	0	750
CASA/GAL	141,782	98,880
Center for Safe and Healthy Children	20,227	24,000
Century Health	51,782	50,020
Challenged Champions	31,835	32,000
YMCA Childcare	<u>0</u>	<u>42,000</u>
	1,245,822	1,325,811
Initiative Funding		
Halt Hunger	\$ 161,642	112,500
Early Childhood Development	157,051	109,730
Workforce Development	0	30,000
Disaster Relief and Rapid Response	<u>80,994</u>	<u>1,500</u>
	<u>399,687</u>	<u>253,730</u>
Totals	<u>\$ 1,645,509</u>	<u>1,579,541</u>

**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

**NOTE 6 – SUMMARY OF GRANTS PAID TO AGENCIES (Continued)**

In addition to these grant monies paid out, the Halt Hunger program also paid out grants from the money granted to them to the following agencies:

	<b>2020</b>	<b>2019</b>
Christian Clearing House	\$ 51,986	51,000
Feed a Child	46,002	74,996
Lutheran Social Services	2,593	3,000
West Ohio Food Bank	60,888	70,000
Salvation Army	<u>50,491</u>	<u>50,000</u>
Totals	<u>\$ 211,960</u>	<u>248,996</u>

**NOTE 7 – LINE OF CREDIT**

The Organization has an open-end line of credit with a maximum borrowing amount of \$200,000 with First Federal Bank of Midwest. Interest is payable on the outstanding balance at 5.5%, with payments due monthly. The note is secured by all inventory, accounts receivable, equipment and general intangibles of the United Way of Hancock County, Inc. The balance at December 31, 2020 and 2019 was \$-0- and \$-0-, respectively.

**NOTE 8 – OPERATING LEASE**

The Organization leases office space from United Way Foundation of Hancock County, Inc., a related entity, under a noncancelable operating lease, which expired October 31, 2012. The current extension runs through October 31, 2017, with nineteen, one-year extensions still available under the original lease through October 31, 2036. The Foundation has agreed to a monthly lease payment of \$1,842 for the office space. In 2019, the Organization’s rental payments were waived, thus rental expense for this lease totaled \$22,140 and -0- for the years ended December 31, 2020 and 2019, respectively.

**NOTE 9 – CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash balances at several financial institutions located in Findlay, Ohio. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Included in the cash balance is one sweep account which is not FDIC insured, but is collateralized separately. At December 31, 2020 and 2019, the Organization’s uninsured/uncollateralized cash balances totaled \$1,314,197 and \$1,133,851, respectively. The Organization regularly monitors the financial condition of the institution in which it has depository accounts and believes the risks of loss are minimal.

**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

**NOTE 10 – RELATED ENTITIES**

While the Organization has a controlling interest in United Way Foundation of Hancock County, Inc. (UWF), it does not have an economic interest. Therefore, its operations are not consolidated with the financial statements of that Organization.

The Board of Directors of United Way of Hancock County, Inc. (UWHC) consists of members that are all also voting members of UWF Board of Directors. These two organizations share a common focus on improving the lives of those that live in Hancock County. At December 31, 2020 and 2019 there was \$373 and \$1,107, respectively, due from UWF. UWF leases its building to UWHC, as further detailed in Note 8.

**NOTE 11 – FAIR VALUE MEASUREMENTS**

The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

*Cash and cash equivalents* – The carrying amount reported in the statements of assets, liabilities and net assets – modified cash basis approximates fair value because of the short maturity of those instruments.

*Promises to give* – These are recorded at net realizable value in the statements of assets, liabilities and net assets – modified cash basis, since they are expected to be received in one year or less.

**NOTE 12 – NOTES RECEIVABLE**

On August 12, 2015, United Way Foundation of Hancock County, Inc. signed a promissory note to United Way of Hancock County, Inc. for \$85,949. This note is due in monthly installments of \$1,545, including fixed interest at 3% per annum, with final payment due on August 1, 2020. The outstanding balance at December 31, 2019 was \$18,201, with the remaining balance received in 2020, resulting in a balance of \$0 as of December 31, 2020.

**NOTE 13 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

United Way of Hancock County has \$1,564,197 of financial assets available within one year of the statement of assets, liabilities and net assets – modified cash basis date to meet cash needs for general expenditures.



**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

**NOTE 13 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)**

United Way of Hancock County, Inc. has a goal to maintain financial assets, which consist of cash on hand to meet 90 days of normal operating expenses, including money granted out, which on average was \$172,950 during 2020. United Way of Hancock County, Inc. has all of its funds in checking, savings, or treasury sweep accounts, so that it is accessible as needed. The Organization has withdrawn \$52,667 from its Foundation in 2020 to be used to supplement the operating expenses of United Way of Hancock County, Inc., and has also opened a line of credit in the amount of \$200,000, which can be drawn upon in the event of an unanticipated liquidity need.

**NOTE 14 – PAYCHECK PROTECTION PROGRAM**

In 2020, the Organization was granted and received a \$106,200 loan under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized \$106,200 as grant revenue for the year ended December 31, 2020, which represents 100% of the loan proceeds.

**NOTE 15 – COVID-19 PANDEMIC**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Organization’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization’s donors, customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization’s financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**United Way of Hancock County, Inc.**  
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**NOTE 16 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 24, 2021, the date the financial statements were available to be issued.

In 2021, the Organization was granted and received an additional \$106,200 loan under the second Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government.