

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

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2021 and 2020**

# United Way of Hancock County, Inc.

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CHRIS P. CHALFIN, CPA  
DAVID R. MILLER, CPA, CVA  
JONATHAN D. HAMPSHIRE, CPA  
DANIELLE S. CLOUSE, CPA, MBA  
CARRIE T. HUNTER, CPA  
COTT R. BORGIO, CPA



C. RICHARD FRUTH, CPA  
(1918-1977)  
GORDON J. SCHUTT, CPA  
(1933-2015)  
CORTLAND N. HEYKOOP, CPA  
EMERITUS  
DARYL J. SHERMAN, CPA  
CONSULTANT  
RONALD R. BROWN, CPA  
EMERITUS  
DONALD S. YARRIS, CPA  
(1950-2017)

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

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

**Opinion**

We have audited the accompanying financial statements of 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, 2021 and 2020, 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.

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, 2021 and 2020, 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 for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Hancock County, Inc. 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 opinion.

**Responsibilities of Management for the Financial Statements**

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

**Auditors' Responsibility 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 auditors' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material

601 PARKWAY DR.  
P.O. BOX 854  
FOSTORIA, OH 44830  
419-435-8541  
FAX 419-435-0747

1802 CASTLETON WAY  
DELAWARE, OH 43015  
740-369-0414  
FAX 740-548-4624

222 N. CLOVER ST.  
FREMONT, OH 43420  
419-332-5341  
FAX 419-332-3030

1 127 W. PERRY ST.  
SUITE 104  
PORT CLINTON, OH 43452  
419-734-4327

655 FOX RUN RD.  
SUITE B  
FINDLAY, OH 45840  
419-420-0711

479 W. PERRY ST.  
TIFFIN, OH 44883  
419-448-0805  
FAX 419-448-1268

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 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 GAAS, 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 Hancock County, 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 Hancock County, 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.

#### **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 23, 2022

**United Way of Hancock County, Inc.**  
**Statements of Assets, Liabilities and Net Assets – Modified Cash Basis**  
**December 31, 2021 and 2020**

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Cash	\$ 1,680,353	1,577,603
Promises to Give, Less Allowance for Uncollectible Promises (2019-2020 Campaign)	0	20,256
Promises to Give, Less Allowance for Uncollectible Promises (2020-2021 Campaign)	100,935	1,227,397
Promises to Give, Less Allowance for Uncollectible Promises (2021-2022 Campaign)	964,636	0
Account Receivable, Affiliate	0	373
Prepaid Campaign Expenses (2020-2021 Campaign)	0	235,831
Prepaid Campaign Expenses (2021-2022 Campaign)	132,935	0
Office Furniture and Fixtures at Cost, Less Accumulated Depreciation of \$137,382 and \$133,926	33,822	37,278
Total Assets	<u>\$ 2,912,681</u>	<u>3,098,738</u>
 <b>Liabilities</b>		
Accrued Expenses and Payroll Liabilities	\$ 0	105
Other Grants Payable	13,908	28,027
Refundable Advances (2020-2021 Campaign)		
Agency Designations Payable	0	143,769
Other United Way Payables	0	22,579
Partner Agency Payables	0	74,771
Refundable Advances (2021-2022 Campaign)		
Agency Designations Payable	81,236	0
Other United Way Payables	4,974	0
Partner Agency Payables	45,504	0
Deferred Revenue Payments Received (2020-2021 Campaign)	0	482,190
Deferred Revenue for Promises to Give, Net of Allowance (2020-2021 Campaign)		1,247,753
Deferred Revenue Payments Received (2021-2022 Campaign)	470,795	0
Deferred Revenue for Promises to Give, Net of Allowance (2021-2022 Campaign)	<u>1,065,571</u>	<u>0</u>
Total Liabilities	1,681,988	1,999,194
 <b>Net Assets</b>		
Without Donor Restrictions	1,219,484	1,058,449
With Donor Restrictions	<u>11,209</u>	<u>41,095</u>
Total Net Assets	<u>1,230,693</u>	<u>1,099,544</u>
Total Liabilities and Net Assets	<u>\$ 2,912,681</u>	<u>3,098,738</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, 2021 and 2020**

<b>Net Assets Without Donor Restrictions</b>	<b>2021</b>	<b>2020</b>
Revenues and Other Support 2020-2021 Campaign		
Campaign Revenue Received for 2020 – 2021 Campaign	\$ 1,288,113	0
Restrictions Released Due to Time – Net of Designations	482,190	0
Less Donor Designations and Other United Ways and Agencies Restricted in 2020	(154,755)	0
Less Allowance for Uncollectibles	<u>(64,015)</u>	<u>0</u>
Total 2020-2021 Campaign Revenues	1,551,533	0
Revenues and Other Support 2019-2020 Campaign		
Campaign Revenue Received for 2019 – 2020 Campaign	102,072	1,545,597
Restrictions Released Due to Time – Net of Designations	0	986,207
Less Donor Designations and Other United Ways and Agencies Restricted in 2019	0	(155,787)
Less Allowance for Uncollectibles	<u>0</u>	<u>(102,072)</u>
Total 2019-2020 Campaign Revenues	102,072	2,273,945
Revenues and Other Support 2018-2019 Campaign		
Campaign Revenue Received for 2018 – 2019 Campaign	<u>19,602</u>	<u>174,989</u>
Total 2018-2019 Campaign Revenues	19,602	174,989
PPP Funds	106,278	106,200
Investment Related Income and Transfers from the Foundation	57,016	59,707
Special Events Income (Net)	34,533	1,397
Miscellaneous Contributions	12,579	122,469
Other Income	1,508	4,240
Restrictions Satisfied by Payments	<u>28,969</u>	<u>80,128</u>
Total Revenues, Gains and Other Support Without Donor Restrictions	1,914,090	2,823,075
<b>Expenses</b>		
Grants to Partner Agencies and for Initiatives	1,216,368	1,645,509
Program Expenses	171,782	190,860
Fundraising Expenses	164,315	182,240
Management and General Expenses	<u>200,590</u>	<u>221,252</u>
Total Expenses	<u>1,753,055</u>	<u>2,239,861</u>
Change in Net Assets Without Donor Restrictions	161,035	583,214

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, 2021 and 2020**

<b>Net Assets With Donor Restrictions</b>	<b>2021</b>	<b>2020</b>
Halt Hunger and FYP Net Assets and Revenues	220,371	226,811
Halt Hunger and FYP Expenses	(221,288)	(223,745)
Net Assets Released from Restrictions:		
Restrictions Satisfied by Payments	<u>(28,969)</u>	<u>(80,128)</u>
Change in Net Assets with Donor Restrictions	<u>(29,886)</u>	<u>(77,062)</u>
Total Change in Net Assets	131,149	506,152
Total Net Assets, Beginning of the Year	<u>1,099,544</u>	<u>593,392</u>
Total Net Assets, End of Year	<u>\$ 1,230,693</u>	<u>1,099,544</u>

See accompanying notes.

**United Way of Hancock County, Inc.**  
**Statement of Functional Expenses – Modified Cash Basis**  
**For the Year Ended December 31, 2021**

	<b>Programs</b>	<b>Fund Raising</b>	<b>Management and General</b>	<b>Total</b>
<b>Personnel Expenses</b>				
Salaries and Wages	\$ 112,470	107,580	105,950	326,000
Employee Benefits	10,555	10,096	9,943	30,594
Payroll Taxes	<u>6,745</u>	<u>6,452</u>	<u>6,354</u>	<u>19,551</u>
Total Personnel Expenses	129,770	124,128	122,247	376,145
<b>Operating Expenses</b>				
Advertising	2,526	2,416	2,380	7,322
IT Services	11,597	11,093	10,925	33,615
Legal and Professional Fees	6,738	6,445	6,347	19,530
Occupancy	3,567	3,412	3,360	10,339
Office Supplies	517	495	487	1,499
Campaign and Marketing Expense	3,103	2,968	2,923	8,994
Memberships	3,502	3,350	3,299	10,151
Insurance	1,411	1,350	1,329	4,090
Finance Fees	2,514	2,405	2,368	7,287
Repairs and Maintenance	235	224	221	680
Rent	4,185	4,003	3,942	12,130
Professional Development	884	846	833	2,563
Miscellaneous	41	40	38	119
United Way Dues	0	0	38,768	38,768
Depreciation	<u>1,192</u>	<u>1,140</u>	<u>1,123</u>	<u>3,455</u>
Total Operating Expense	<u>42,012</u>	<u>40,187</u>	<u>78,343</u>	<u>160,542</u>
 Total Operating and Personnel Expenses	 <u>\$ 171,782</u>	 <u>164,315</u>	 <u>200,590</u>	 <u>536,687</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
Repairs 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.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

**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.

**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. 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.

**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.

**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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

**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 that approximates 4% of total pledges 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 \$64,015 as of December 31, 2021.

**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 2018, 2019, 2020 and 2021 are subject to examination by the IRS, generally for three years after they were filed.

**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, 2021 and 2020, payments were \$38,768 and \$41,417, respectively, made to these affiliate organizations.

**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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

**Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting 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 years ended December 31, 2021 and 2020 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, 2021 and 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.

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.

**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

**NOTE 2 – CONCENTRATIONS OF CONTRIBUTIONS**

During 2021 and 2020, 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>2021</b>	<b>2020</b>
Board Designated – General	\$ 5,000	5,000
Undesignated Net Assets	<u>1,214,484</u>	<u>1,053,449</u>
Total Net Assets Without Donor Restrictions	<u>\$ 1,219,484</u>	<u>1,058,449</u>

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

	<b>2021</b>	<b>2020</b>
Other Designations	\$ 9,060	38,029
Halt Hunger and FYP	<u>2,149</u>	<u>3,066</u>
Total Net Assets with Donor Restrictions	<u>\$ 11,209</u>	<u>41,095</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, 2021 and 2020, these funds amounted to \$4,449 and \$4,474, 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 statements of assets, liabilities and net assets – modified cash basis because the Organization does not have any access to the principal of these funds.

**NOTE 5 – TAX DEFERRED ANNUITY**

In 2020, the Organization contributed to a SEP IRA plan that each compensated employee must set up with their own broker. The Organization contributed 7% of each employee’s salary towards the plan. The expense recognized by the Organization was \$18,698 for the year ended December 31, 2020. In 2021 the Organization changed to providing a simple IRA where the Organization matches up to 3% of an employees’ contribution. The expense recognized by the Organization was \$6,821 for the year ended December 31, 2021.

**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

**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	2021	2020
Children’s Mentoring Connection	\$ 70,000	109,783
Boy Scouts	10,000	20,427
Camp Fire Boys and Girls	0	2,262
Cancer Patient Services	100,000	141,782
HHWP Community Action Commission	0	192,882
Open Arms Council on Domestic Violence, Inc.	250,000	251,982
Girl Scouts	5,000	11,782
American Red Cross	13,013	12,386
Hope House for the Homeless	155,000	183,346
Family Resource Center	51,782	73,564
CASA/GAL	135,000	141,782
Center for Safe and Healthy Children	26,000	20,227
Century Health	0	51,782
Challenged Champions	<u>26,254</u>	<u>31,835</u>
	842,049	1,245,822
 Initiative Funding		
Halt Hunger	200,148	161,642
Early Childhood Development	82,364	157,051
Workforce Development	60,000	0
Mental Health / Substance Abuse	3,807	0
Disaster Relief and Rapid Response	<u>28,000</u>	<u>80,994</u>
	374,319	339,687
Totals	<u>\$ 1,216,368</u>	<u>1,645,509</u>

**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

**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>2021</b>	<b>2020</b>
Christian Clearing House	\$ 30,765	51,986
Feed a Child	0	46,002
Lutheran Social Services	0	2,593
Findlay YMCA	75,000	0
West Ohio Food Bank	57,372	60,888
Salvation Army	<u>55,950</u>	<u>50,491</u>
Totals	<u>\$ 219,087</u>	<u>211,960</u>

**NOTE 7 – LINE OF CREDIT**

The Organization had an open-end line of credit with a maximum borrowing amount of \$200,000 with Premier Bank. Interest was payable on the outstanding balance at 5.5%, with payments due monthly. The note was secured by all inventory, accounts receivable, equipment and general intangibles of the United Way of Hancock County, Inc. The balance at December 31, 2021 and 2020 was \$-0- and \$-0-. The line of credit matured March of 2021 and was not renewed.

**NOTE 8 – OPERATING LEASE**

The Organization leased office space from United Way Foundation of Hancock County, Inc., a related entity, under an operating lease, and related extensions ran through October 31, 2017, with nineteen, one-year extensions, available under the original lease through October 31, 2036. The Foundation had agreed to a monthly lease payment of \$1,842 for the office space, and in 2021 the Organization ended the lease and moved to a new building, establishing a new contract and lease. The new lease has payments of \$1,000 per month beginning in March 2021 through February 2024. During 2021, the lease payments were waived for three months. Lease payments totaled \$9,000 under the new lease and \$5,535 under the terminated lease for the year ended December 31, 2021, and lease payments totaled \$22,140 for the year ended December 31, 2020, respectively.

**United Way of Hancock County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

The Organization entered into a twelve-month lease for a copier on September 15, 2021. The amount owed for monthly payments is \$125 plus overages for additional copies not included in the price per month.

The following is a schedule of future minimum lease payments under those leases:

For the Year Ending December 31:	
2022	\$ 13,125
2023	12,000
2024	<u>2,000</u>
	<u>\$27,125</u>

**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, 2021 and 2020, the Organization did not have any uninsured/uncollateralized cash balances.

**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 UWF.

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, 2021 and 2020 there was \$0 and \$373, respectively, due from UWF. UWF leased 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.



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**NOTE 11 – FAIR VALUE MEASUREMENTS (Continued)**

*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 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

United Way of Hancock County has \$2,745,924 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. 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 \$138,848 during 2021. 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 \$49,926 from its Foundation in 2021 to be used to supplement the operating expenses of United Way of Hancock County, Inc.

**NOTE 13 – PAYCHECK PROTECTION PROGRAM**

In 2021 and 2020, the Organization was granted and received loans for \$106,278 and \$106,200 for the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loans were uncollateralized and fully guaranteed by the Federal government. The Organization initially recorded the loans as refundable advances 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 loans no longer existed. The Organization has recognized \$106,278 and \$106,200 as grant revenue for the years ended December 31, 2021 and 2020, respectively which represents 100% of the loan proceeds. The first PPP loan of \$106,200 was forgiven on March 17, 2021 and the second PPP loan of \$106,278 was forgiven on August 26, 2021.

**NOTE 14 – 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,

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**NOTE 14 – COVID-19 PANDEMIC (Continued)**

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.

**NOTE 15 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 23, 2022, the date the financial statements were available to be issued.