THE UNITED WAY OF THE GREATER DAYTON AREA

(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

THE UNITED WAY OF THE GREATER DAYTON AREA

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YEARS ENDED JUNE 30, 2021 AND 2020

BRADY WARE & SCHOENFELD

INDEPENDENT AUDITORS' REPORT

Board of Directors
The United Way of the Greater Dayton Area
Dayton, Ohio

We have audited the accompanying financial statements of **The United Way of the Greater Dayton Area** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 financial position of **The United Way of the Greater Dayton Area** as of June 30, 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.

Brady, Ware & Schoenfeld, Inc.

Dayton, Ohio
November 17, 2021

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THE UNITED WAY OF THE GREATER DAYTON AREA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 541,588**	$ 559,442
Pledges receivable		
Annual campaigns, net of adjustment of $404,852 and $452,337, respectively, for net realizable value	**1,206,424**	1,490,576
Accounts receivable - other	**21,091**	58,584
Prepaid expenses	**330**	985
Investments in municipal bonds	**421,397**	407,111
Reserved cash	**1,110,423**	83,013
	3,301,253	2,599,711
EQUIPMENT, NET	**63,594**	30,399
OTHER ASSETS		
Restricted cash	**225,495**	225,436
Cash surrender value of life insurance	**1,740,233**	1,999,795
Beneficial interest in funds held at The Dayton Foundation	**3,619,905**	2,995,474
Beneficial interest in perpetual trusts	**3,570,311**	2,886,080
	9,155,944	8,106,785
	$ 12,520,791	$ 10,736,895
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Donor designations payable	**$ 458,325**	$ 662,996
Grants payable	**1,070,479**	1,068,410
Accounts payable and accrued expenses	**64,760**	71,527
Affiliate payable	**1,074,363**	66,371
Note payable	**-**	311,500
	2,667,927	2,180,804
LONG-TERM DEFINED BENEFIT OBLIGATION	**1,144,928**	2,057,275
	3,812,855	4,238,079
NET ASSETS		
Without donor restrictions	**2,130,088**	666,463
With donor restrictions	**6,577,848**	5,832,353
	8,707,936	6,498,816
	$ 12,520,791	$ 10,736,895

THE UNITED WAY OF THE GREATER DAYTON AREA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021, WITH COMPARATIVE TOTALS FOR 2020

	Without Donor Restrictions	With Donor Restrictions	2021	2020
PUBLIC SUPPORT AND REVENUE				
Gross campaign contributions	$ 3,593,737	$ 105,846	**$ 3,699,583**	$ 4,780,474
Less				
Donor designations	(902,259)	-	**(902,259)**	(1,326,460)
Adjustment for net realizable value	(155,789)	-	**(155,789)**	(229,679)
Total campaign revenue	2,535,689	105,846	**2,641,535**	3,224,335
Freedom Schools grants	-	-	**-**	75,000
Other contributions and grants	565,405	21,841	**587,246**	178,349
Service fees	112,405	-	**112,405**	127,887
Net investment return	10,504	-	**10,504**	19,178
Information and referral	283,296	-	**283,296**	298,189
Net assets released from restrictions	311,718	(311,718)	**-**	-
Total public support and revenue	3,819,017	(184,031)	**3,634,986**	3,922,938
EXPENSES				
Program services	2,251,043	-	**2,251,043**	2,479,950
Supporting services				
Management and general	261,010	-	**261,010**	257,151
Fundraising	893,743	-	**893,743**	998,427
Total expenses	3,405,796	-	**3,405,796**	3,735,528
CHANGE IN NET ASSETS FROM OPERATIONS	413,221	(184,031)	**229,190**	187,410
OTHER CHANGES				
Increase (decrease) in cash surrender value of life insurance	-	6,561	**6,561**	(12,222)
Gain on life insurance policies	-	9,242	**9,242**	48,579
Gain (loss) on investments in municipal bonds	5,105	-	**5,105**	(9,693)
Gain on beneficial interest in funds held at The Dayton Foundation	510,435	229,492	**739,927**	58,915
Gain on perpetual interest in trusts	108,397	684,231	**792,628**	79,318
Net periodic defined benefit plan benefit (expense)	55,083	-	**55,083**	(23,582)
Defined benefit plan changes other than net periodic plan benefit (expense)	371,384	-	**371,384**	(442,159)
TOTAL OTHER CHANGES	1,050,404	929,526	**1,979,930**	(300,844)
CHANGE IN NET ASSETS	1,463,625	745,495	**2,209,120**	(113,434)
NET ASSETS				
Beginning of year	666,463	5,832,353	**6,498,816**	6,612,250
End of year	$ 2,130,088	$ 6,577,848	**$ 8,707,936**	$ 6,498,816

See notes to financial statements.

THE UNITED WAY OF THE GREATER DAYTON AREA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Gross campaign contributions	$ 4,780,474	$ -	**$ 4,780,474**
Less			
Donor designations	(1,326,460)	-	**(1,326,460)**
Adjustment for net realizable value	(229,679)	-	**(229,679)**
Total campaign revenue	3,224,335	-	**3,224,335**
Freedom Schools grants	75,000	-	**75,000**
Other contributions and grants	171,074	7,275	**178,349**
Service fees	127,887	-	**127,887**
Net investment return	19,178	-	**19,178**
Information and referral	298,189	-	**298,189**
Net assets released from restrictions	258,681	(258,681)	**-**
Total public support and revenue	4,174,344	(251,406)	**3,922,938**
EXPENSES			
Program services	2,479,950	-	**2,479,950**
Supporting services			
Management and general	257,151	-	**257,151**
Fundraising	998,427	-	**998,427**
Total expenses	3,735,528	-	**3,735,528**
CHANGE IN NET ASSETS FROM OPERATIONS	438,816	(251,406)	**187,410**
OTHER CHANGES			
Decrease in cash surrender value of life insurance	-	(12,222)	**(12,222)**
Gain on life insurance policies	-	48,579	**48,579**
Loss on investments in municipal bonds	(9,693)	-	**(9,693)**
Gain on beneficial interest in funds held at The Dayton Foundation	40,265	18,650	**58,915**
Gain (loss) on perpetual interest in trusts	107,502	(28,184)	**79,318**
Net periodic defined benefit plan expense	(23,582)	-	**(23,582)**
Defined benefit plan changes other than net periodic plan expense	(442,159)	-	**(442,159)**
TOTAL OTHER CHANGES	(327,667)	26,823	**(300,844)**
CHANGE IN NET ASSETS	111,149	(224,583)	**(113,434)**
NET ASSETS			
Beginning of year	555,314	6,056,936	**6,612,250**
End of year	$ 666,463	$ 5,832,353	**$ 6,498,816**

See notes to financial statements.

THE UNITED WAY OF THE GREATER DAYTON AREA

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program				Supporting Services		
	Community Impact	HelpLink	Special Projects	Total	Management and General	Fundraising	Total Expenses
Salaries	$ 292,806	$ 413,032	$ 49,482	$ 755,320	$ 113,885	$ 562,473	$ 1,431,678
Employee benefits	64,336	45,983	14,965	125,284	20,007	110,587	255,878
Payroll taxes	20,649	25,816	3,310	49,775	8,235	39,422	97,432
Total salaries and related expenses	377,791	484,831	67,757	930,379	142,127	712,482	1,784,988
Professional fees and purchased services	27,484	45,247	5,250	77,981	18,949	77,677	174,607
Supplies	907	1,711	143	2,761	952	2,458	6,171
Telephone	2,355	18,578	627	21,560	1,125	5,469	28,154
Postage and shipping	76	31	41	148	208	1,582	1,938
Occupancy	23,218	46,838	4,540	74,596	7,642	41,312	123,550
Rental and maintenance of equipment	829	1,690	9	2,528	244	1,373	4,145
Subscriptions and publications	272	245	56	573	62	574	1,209
Printing and publications	12,450	3,726	9,645	25,821	3,062	39,513	68,396
Travel	51	14	101	166	28	185	379
Conferences, conventions and meetings	370	603	22	995	326	1,077	2,398
Membership dues	244	1,279	634	2,157	418	1,499	4,074
Miscellaneous	408	3,564	43	4,015	97	23	4,135
Total expenses before depreciation	446,455	608,357	88,868	1,143,680	175,240	885,224	2,204,144
Depreciation	2,556	2,300	255	5,111	3,408	8,519	17,038
Total operating expenses	449,011	610,657	89,123	1,148,791	178,648	893,743	2,221,182
Grants	1,102,252	-	-	1,102,252	-	-	1,102,252
United Way of America dues	-	-	-	-	82,362	-	82,362
Total expenses	$ 1,551,263	$ 610,657	$ 89,123	$ 2,251,043	$ 261,010	$ 893,743	$ 3,405,796

See notes to financial statements.

THE UNITED WAY OF THE GREATER DAYTON AREA

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	Program				Supporting Services		
	Community Impact	HelpLink	Special Projects	Total	Management and General	Fundraising	Total Expenses
Salaries	$ 287,411	$ 447,686	$ 50,998	$ 786,095	$ 120,328	$ 584,762	$ 1,491,185
Employee benefits	82,468	96,741	23,323	202,532	29,386	159,076	390,994
Payroll taxes	22,860	37,333	4,087	64,280	6,663	37,212	108,155
Total salaries and related expenses	392,739	581,760	78,408	1,052,907	156,377	781,050	1,990,334
Professional fees and purchased services	90,256	50,545	4,967	145,768	23,314	85,053	254,135
Supplies	2,108	1,041	288	3,437	1,016	3,525	7,978
Telephone	2,588	17,854	550	20,992	1,382	5,963	28,337
Postage and shipping	109	98	63	270	619	2,515	3,404
Occupancy	28,371	67,161	5,090	100,622	9,558	46,578	156,758
Rental and maintenance of equipment	871	1,816	10	2,697	291	1,408	4,396
Subscriptions and publications	80	299	36	415	21	181	617
Printing and publications	16,990	6,369	732	24,091	1,409	50,187	75,687
Travel	2,013	617	1,828	4,458	554	4,545	9,557
Conferences, conventions and meetings	6,554	764	58	7,376	208	2,368	9,952
Membership dues	304	4,333	706	5,343	506	1,736	7,585
Miscellaneous	1,271	1,269	127	2,667	2,400	6,353	11,420
Total expenses before depreciation	544,254	733,926	92,863	1,371,043	197,655	991,462	2,560,160
Depreciation	2,090	1,881	209	4,180	2,786	6,965	13,931
Total operating expenses	546,344	735,807	93,072	1,375,223	200,441	998,427	2,574,091
Grants	1,104,727	-	-	1,104,727	-	-	1,104,727
United Way of America dues	-	-	-	-	56,710	-	56,710
Total expenses	$ 1,651,071	$ 735,807	$ 93,072	$ 2,479,950	$ 257,151	$ 998,427	$ 3,735,528

See notes to financial statements.

THE UNITED WAY OF THE GREATER DAYTON AREA

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
OPERATING ACTIVITIES		
Change in net assets	$ 2,209,120	$ (113,434)
Adjustments to reconcile change in net assets to net cash and cash equivalents, reserved cash and restricted cash provided (used) by operating activities:		
Depreciation	17,038	13,931
Forgiveness of Paycheck Protection Program Loan	(311,500)	-
(Increase) decrease in value of cash surrender value of life insurance	(6,561)	12,222
Gain on redemption of life insurance	(9,242)	(48,579)
Net realized and unrealized (gain) loss on investments and beneficial interest in funds held at The Dayton Foundation	(694,063)	15,414
Net investment (gain) loss from perpetual interest in trusts	(684,231)	28,184
Contributions to defined benefit plan	(485,880)	(193,466)
Net periodic defined benefit plan (benefit) expense	(55,083)	23,582
Defined benefit plan changes other than periodic plan (benefit) expense	(371,384)	442,159
	(391,786)	180,013
Changes in operating assets and liabilities:		
Pledges receivable - annual campaigns, net	284,152	263,945
Accounts receivable - other	37,493	59,242
Prepaid expenses	655	7,990
Donor designations payable	(204,671)	(56,172)
Grants payable	2,069	(537,081)
Accounts payable and accrued expenses	(6,767)	2,589
Affiliate payable	1,007,992	66,302
Net cash and cash equivalents, reserved cash and restricted cash provided (used) by operating activities	729,137	(13,172)
INVESTING ACTIVITIES		
Purchase of equipment	(50,233)	(11,532)
Purchases of investments	(60,325)	(64,444)
Proceeds received from sales and maturities of investments	115,671	315,168
Life insurance premium payments	-	(23,928)
Proceeds from life insurance policies	275,365	115,544
Net cash and cash equivalents, reserved cash and restricted cash provided by investing activities	280,478	330,808
FINANCING ACTIVITIES		
Borrowings on note payable	-	311,500
Net payments on line of credit	-	(300,000)
Net cash and cash equivalents, reserved cash and restricted cash provided by financing activities	-	11,500
NET INCREASE IN CASH AND CASH EQUIVALENTS, RESERVED CASH AND RESTRICTED CASH	1,009,615	329,136
CASH AND CASH EQUIVALENTS, RESERVED CASH AND RESTRICTED CASH		
Beginning of year	867,891	538,755
End of year	$ 1,877,506	$ 867,891

NOTE 1 - NATURE OF ORGANIZATION

The United Way of the Greater Dayton Area (the "Organization") is a nonprofit organization. The Organization engages in fundraising through annual pledge campaigns. Support received is then used to fund various nonprofit health and human service programs within the Greater Dayton area through a competitive grant process to achieve measurable outcomes in the areas of Health, Education and Financial Stability. The Organization also distributes contributions designated to specific agencies as a service to donors participating in the annual campaign. In addition, the Organization provides direct services, including 24-hour information and referral, volunteer recruitment and placement, and community planning.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting principles and practices of the Organization are set forth to facilitate the understanding of data presented in the financial statements:

Basis of Presentation - Accounting standards require the Organization to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

> Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.
>
> Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Net Asset Classification - Accounting standards provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). The accounting standards also improve disclosures about an organization's endowment funds, both donor restricted endowment funds and board designated endowment funds, whether or not the organization is subject to UPMIFA.

The State of Ohio adopted UPMIFA effective June 1, 2009. The Organization adopted accounting standards relating to endowment funds for the year ended June 30, 2009. Management has determined that the majority of the Organization's net assets do not meet the definition of an endowment under UPMIFA. The contributions are subject to the terms of the governing documents.

Financial 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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents - Interest-bearing deposits and short-term investments with original maturities of three months or less are classified as cash equivalents. Periodically during the year, the Organization may have cash deposits with a single institution in excess of federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Reserved Cash - The Organization had $1,110,423 and $83,013 of reserved cash at June 30, 2021 and 2020, which are kept in a separate bank account for the operations of the Hall Hunger Initiative.

Restricted Cash - The Organization had $225,495 and $225,436 of restricted cash at June 30, 2021 and 2020, which serves as collateral on the Organization's line of credit.

Contributions - In accordance with accounting standards, the Organization accounts for contributions received as support without donor restrictions or support with donor restrictions, depending on the existence or nature of any donor restrictions.

Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising campaigns.

Investments - Investment balances are comprised of funds held and managed by The Dayton Foundation (the "Foundation") as well as invested in various municipal bonds with a financial institution. Investments are reported at their fair value, based on the valuation provided by the Foundation or other financial institutions. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Net investment return includes investment income and gains, as well as investment fees incurred during the year. Total investment fees for 2021 and 2020 were $52,812 and $47,377.

Equipment - Equipment is recorded at cost, or if donated, at fair value at the date of the gift. Donations are reported as support without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The Organization capitalizes all expenditures in excess of $1,000 for equipment.

Pledges Receivable - Pledges for contributions are recorded as income in the year pledged by the donor and, if unpaid, are included in pledges receivable. Pledges are recorded at net realizable value.

Tax-Exempt Status - The Organization is exempt from federal income taxes under IRS Code Section 501(c)(3). 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)(vi), and has been classified as an organization other than a private foundation under Section 509(a)(1).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounting for Uncertainty in Income Taxes - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Organization's tax returns, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. No significant uncertain tax positions exist as of June 30, 2021.

Endowment Investment and Spending Policies - The Organization's endowment assets are largely invested with the Foundation. The Organization has adopted the investment and spending policies used by the Foundation with regard to endowment assets held by the Foundation.

The Foundation requires investment managers to abide by an asset allocation guide. The policy for those assets held by the Foundation is to preserve the real purchasing power of the endowed assets and to provide a growing stream of income to be made available for spending (net of inflation) in order to sustain the operations of the Foundation. The Foundation's spending and investment policies work together to achieve this objective. This investment policy establishes a return objective through diversification of asset classes. The current long-term return objective is to exceed the rate of inflation, as measured by the Consumer Price Index, by 4%. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds. The Foundation uses the previous 20 calendar quarters' average market value multiplied by 4% to determine the amount available for distribution.

Recently Issued Accounting Standards Not Yet Adopted - In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*, which will require the recognition of right-to-use assets and lease liabilities for leases previously classified as operating leases by lessees. Since the issuance of this standard, there have been several additional standards issued relative to this topic. These standards will be effective for the fiscal year ending June 30, 2023. Early application will be permitted. The Organization is currently in the process of evaluating the impact of adoption of these standards on the financial statements.

Subsequent Events - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 17, 2021, the date the financial statements were available to be issued.

NOTE 3 - REVENUE RECOGNITION

The FASB issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification ("ASC"). Topic 606 replaced most existing revenue recognition guidance in U.S. GAAP, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Topic 606 does not apply to public support received by the Organization or to return on investments.

The Organization adopted the requirements of the new guidance as of July 1, 2020, utilizing the modified retrospective method of transition. Adoption of the new guidance did not require any changes to the Organization's accounting policies for revenue recognition, trade and other receivables, contract costs, contract liabilities, or deferred costs. Accordingly, there has been no adjustments to net assets or any other statement of financial position accounts as of July 1, 2020, to reflect adoption of the new guidance.

The Organization derives its revenue primarily from charitable contributions and government grants. A smaller portion of revenue is related to information and referral services, as well as the Organization's service fees. Revenue subject to ASC Topic 606 includes information and referral services and service fees. Revenue from information and referral services is recognized ratably over the course of the related contract, as services are provided throughout its duration. For service fees, revenue is recognized when the service has been provided to the customer, which is when designations have been processed by the Organization. Incidental items that are immaterial in the context of the contract are recognized as expense. Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than a year. The nature of the Organization's business does not give rise to variable consideration. The Organization does not have any significant financing components.

Revenue from performance obligations satisfied at a point in time consists of service fees. Revenue from performance obligations satisfied over time consists of information and referral services.

Performance Obligations

Performance obligations related to service fees are satisfied at a point in time. The Organization acts as an intermediary in the distribution of grants and charitable contributions throughout the communities it serves. The Organization thus provides administrative and processing services as these funds are distributed to designated entities. Revenue from service fees is recognized when these administrative and processing services are provided, which is when a designation has been processed by the Organization.

Performance obligations related to information and referral services are satisfied over time, as the services are provided. The Organization provides a 24-hour service which aids in volunteer recruitment and placement, as well as general community planning and assistance. Information and referral services revenue is recognized as service is provided, which is over the course of the related contract.

NOTE 3 - REVENUE RECOGNITION - CONTINUED

Revenue

Revenue recognized from performance obligations satisfied at a point in time and over time for 2021 and 2020 consists of the following:

	2021	2020
Performance obligations satisfied at a point in time	**$ 112,405**	$ 127,887
Performance obligations satisfied over time	**283,296**	298,189
	$ 395,701	$ 426,076

NOTE 4 - LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of donor-imposed restrictions or internal designations. Financial assets are considered unavailable when not convertible to cash within one year, such as endowments, which include board designated endowments. These board designations could be drawn upon if the Board of Directors approves that action.

	2021	2020
Cash and cash equivalents	**$ 541,588**	$ 559,442
Pledges receivable, net	**1,206,424**	1,490,576
Accounts receivable - other	**21,091**	58,584
Investments in municipal bonds	**421,397**	407,111
Reserved cash	**1,110,423**	83,013
Restricted cash	**225,495**	225,436
Beneficial interest in funds held at The Dayton Foundation	**3,619,905**	2,995,474
Beneficial interest in perpetual trusts	**3,570,311**	2,886,080
Total financial assets	**10,716,634**	8,705,716
Less those unavailable for general expenditure within one year due to:		
Purpose restrictions	**(1,238,110)**	(83,013)
Donor designations payable	**(458,325)**	(662,996)
Endowment funds subject to the Foundation's spending policy:		
Beneficial interest in funds held at The Dayton Foundation less the next year's approved draw	**(3,501,929)**	(2,880,962)
Beneficial interest in perpetual trusts less next year's approved draw	**(3,457,355)**	(2,777,683)
Financial assets available to meet cash needs for general expenditures within one year	**$ 2,060,915**	$ 2,301,062

NOTE 4 - LIQUIDITY AND AVAILABILITY - CONTINUED

In addition to financial assets available to meet general expenditures over the year, the Organization anticipates covering its general expenditures by collecting public support and earned revenue, utilizing donor-restricted resources from current gifts and appropriating the return on its investment portfolio. The Organization also has available a line of credit with a borrowing limit of $350,000 as described in Note 10.

The endowments consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use and the Organization's mission. Donor-restricted endowment funds are not available for general expenditure.

Of the total beneficial interest in funds held at The Dayton Foundation included in the financial assets above at June 30, 2021 and 2020, $2,480,288 and $2,048,996 is considered board-designated. The Organization is authorized to spend a portion of the beneficial interest in funds held at The Dayton Foundation annually, subject to the Foundation's spending policies. The purpose of the spending policy is to fund programs provided by the Organization that are important to the community and do not otherwise have available funding. The board-designated portion of the total beneficial interest in funds held at The Dayton Foundation is also available to the Organization in the event of a decline in revenue or to temporarily fund new ventures, should the Board of Directors elect to do so.

NOTE 5 - CASH AND CASH EQUIVALENTS, RESERVED CASH AND RESTRICTED CASH

For purposes of the statements of financial position and the statements of cash flows, cash and cash equivalents are considered as consisting of interest-bearing deposits and short-term investments with original maturities of three months or less. Reserved cash consists of cash maintained in a separate bank account, the use of which is reserved for covering expenses related to the Hall Hunger Initiative. Restricted cash consists of cash maintained in a separate bank account to use as collateral against the Organization's line of credit. See Note 10 for further detail.

The following table provides a reconciliation of cash and cash equivalents, reserved cash and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

	2021	2020
Cash and cash equivalents	**$ 541,588**	$ 559,442
Reserved cash	**1,110,423**	83,013
Restricted cash	**225,495**	225,436
Total cash and cash equivalents, reserved cash and restricted cash shown in the statements of cash flows	**$ 1,877,506**	$ 867,891

NOTE 6 - EQUIPMENT

	2021	2020
Equipment	**$ 160,190**	$ 179,685
Less accumulated depreciation	**96,596**	149,286
	$ 63,594	$ 30,399

NOTE 7 - INVESTMENTS AND BENEFICIAL INTEREST IN FUNDS HELD AT THE DAYTON FOUNDATION

Investments consist of funds held at a financial institution. Beneficial interest in funds held at The Dayton Foundation consists of funds held at The Dayton Foundation, a community foundation that invests and manages donors' charitable funds.

The investments and beneficial interest in funds held at The Dayton Foundation consist of the following at June 30, 2021 and 2020:

	2021	2020
Without donor restrictions:		
United Way of the Greater Dayton Area Endowment Fund	**$ 1,583,283**	$ 1,316,081
United Way of the Greater Dayton Area Memorial Fund	**897,005**	732,915
	2,480,288	2,048,996
With donor restrictions:		
United Way of the Greater Dayton Area Campaign Fund	**517,226**	429,829
Rike Family Endowment Fund	**589,697**	490,159
Gertrude Mellen Fund	**32,694**	26,490
	1,139,617	946,478
Total beneficial interest in funds held at The Dayton Foundation	**$ 3,619,905**	$ 2,995,474
Investments in municipal bonds	**$ 421,397**	$ 407,111

NOTE 8 - BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Organization is the beneficiary of perpetual trusts held by The Dayton Foundation. The trust assets are not in the possession of the Organization and are administered and managed by The Dayton Foundation. Under the terms of the trusts, the Organization has the irrevocable right to receive the income earned on the endowment assets in perpetuity. Accordingly, the Organization has recorded an asset titled "beneficial interest in perpetual trusts" equivalent to the present value of the expected future cash flows from the trusts. The present value is estimated at an amount equal to the fair market value of the assets of the trusts.

The annual distributions from the trust are reported as investment income that increases net assets without donor restrictions. The asset value is adjusted annually, using the same basis as was used to measure the asset initially, and adjustments to the value are recognized as gains or losses with donor restrictions.

The following endowments have been created at The Dayton Foundation from which the Organization is entitled to receive certain income and benefits:

	2021	2020
C.H. Dean & Associates Inc. Fund	**$ 285,942**	$ 267,194
Berry Family Fund	**3,193,485**	2,542,844
Marie S. Aull Fund	**90,884**	76,042
	$ 3,570,311	$ 2,886,080

NOTE 9 - FAIR VALUE MEASUREMENTS

Accounting standards have a single definition of fair value and a framework for measuring fair value in accordance with generally accepted accounting principles. These standards apply whenever other authoritative literature requires (or permits) certain assets and liabilities to be measured at fair value. Items carried at fair value on a recurring basis consist of certain investment funds. The Organization also uses fair value concepts to test various long lived assets for impairment in the event a triggering event has occurred.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market. The Organization uses a fair value hierarchy that has three levels of inputs, both observable and unobservable, with use of the lowest possible level of input to determine fair value.

Level 1 inputs include quoted market prices in an active market or the price of an identical asset or liability. Level 2 inputs are market data, other than Level 1, that are observable either directly or indirectly. Level 2 inputs include quoted market prices for similar assets or liabilities, quoted market prices in an inactive market, and other observable information that can be corroborated by market data. Level 3 inputs are unobservable and corroborated by little or no market data.

Beneficial interests in funds held at The Dayton Foundation and beneficial interest in perpetual trusts are disclosed as Level 3 inputs. The following is a description of the valuation methodologies used for assets measured at fair value.

Beneficial interest in funds held The Dayton Foundation: Value determined based on the fair value of the underlying trust assets.

Fixed income funds: Valued at the net asset value ("NAV") of shares held by the Organization at year-end.

*Beneficial interest in perpetual trust*s: Value determined based on the fair value of the underlying trust assets, which is estimated to approximate the present value of the future cash flow of the trust distributions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 9 - FAIR VALUE MEASUREMENTS - CONTINUED

Fair values of the Organization's financial assets measured on a recurring basis at June 30, 2021 are as follows:

	2021			
	Fair Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Investments				
Fixed income	**$ 421,397**	$ 421,397	$ -	$ -
Beneficial interest in funds held at The Dayton Foundation	**3,330,312**	-	-	3,330,312
Beneficial interest in perpetual trusts	**3,570,311**	-	-	3,570,311
Total assets in the fair value hierarchy	**7,322,020**	421,397	-	6,900,623
Alternative investments, NAV as a practical expedient [(a)]	**289,593**	-	-	-
	$ 7,611,613	$ 421,397	$ -	$ 6,900,623

Fair values of the Organization's financial assets measured on a recurring basis at June 30, 2020 are as follows:

	2020			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Fixed income	**$ 407,111**	$ 407,111	$ -	$ -
Beneficial interest in funds held at The Dayton Foundation	**2,733,475**	-	-	2,733,475
Beneficial interest in perpetual trusts	**2,886,080**	-	-	2,886,080
Total assets in the fair value hierarchy	**6,026,666**	407,111	-	5,619,555
Alternative investments, NAV as a practical expedient [(a)]	**261,999**	-	-	-
	$ 6,288,665	$ 407,111	$ -	$ 5,619,555

[(a)] In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

There were no transfers into or out of Level 3 investments for the years ended June 30, 2021 and 2020. The only changes that occurred during the years ended June 30, 2021 and 2020 were the change in fair value and distributions.

NOTE 10 - LINE OF CREDIT

The Organization obtained a $350,000 revolving line of credit from PNC Bank in June 2019. The line of credit offers the Organization cash advances to use for working capital or other general business purposes and expired in May 2021. During 2021, the line of credit was amended and extended through May 2022. The Organization may request letters of credit in lieu of cash advances under the line of credit, however, the letters of credit may not exceed $225,000, and the aggregate amount of the letters of credit and the outstanding cash advances on the line of credit may not exceed $350,000. Interest is charged at the daily LIBOR (0.09% and 0.16% at June 30, 2021 and 2020) plus 200 basis points. Interest expense related to the line of credit for the year 2020 was $5,030. There was no interest expense related to the line of credit for the year 2021. There was no outstanding balance on the line of credit at June 30, 2021 and 2020.

The line of credit is collateralized by a money market account held at PNC Bank. The balance of this account was $225,495 and $225,436 as of June 30, 2021 and 2020, and is classified as restricted cash in the statements of financial position.

NOTE 11 - PAYCHECK PROTECTION PROGRAM LOAN

The Organization received a term note in the amount of $311,500 from PNC Bank in April 2020. The note was issued pursuant to the Coronavirus Aid, Relief, and Economic Security ("CARES") Act's Paycheck Protection Program ("PPP"). The Organization recorded a current liability on the statement of financial position for the entire loan amount at June 30, 2020. In May 2021, the Organization was notified by the Small Business Administration ("SBA") that the loan balance, along with all accrued interest, was forgiven in full. The Organization recorded this forgiveness as contribution revenue for 2021.

NOTE 12 - NET ASSETS WITHOUT DONOR RESTRICTIONS

A summary of appropriated and unappropriated net assets without donor restrictions as of June 30, 2021 and 2020 are as follows:

	2021	2020
Appropriated		
Funds held at The Dayton Foundation	**$ 2,480,288**	$ 2,048,996
Unappropriated deficit	**(350,200)**	(1,382,533)
Net assets without donor restrictions	**$ 2,130,088**	$ 666,463

NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS

The following table summarizes net assets with donor restrictions at June 30, 2021 and 2020:

	2021	2020
Time restricted net assets:		
Cash surrender value of life insurance	**$ 1,740,233**	$ 1,999,795
Purpose restricted net assets:		
United Way of the Greater Dayton Area Campaign Fund	**517,226**	429,829
Freedom Schools pledges	**105,846**	-
HelpLink contributions	**21,841**	-
Rike Family Endowment Fund investment earnings	**339,697**	240,159
Gertrude Mellen Fund investment earnings	**7,694**	1,490
	992,304	671,478
Net assets restricted in perpetuity:		
Rike Family Endowment Fund	**250,000**	250,000
Gertrude Mellen Fund	**25,000**	25,000
Beneficial interest in perpetual trusts	**3,570,311**	2,886,080
	$ 6,577,848	$ 5,832,353

The following schedule is the assets released from restrictions for the years ended June 30, 2021 and 2020:

	2021	2020
Release of purpose restriction	**$ 302,476**	$ 210,102
Release of time restriction	**9,242**	48,579
	$ 311,718	$ 258,681

NOTE 14 - CONCENTRATION OF CREDIT RISK

The Organization operates in the greater Dayton, Ohio area, including Montgomery, Greene and Preble Counties. Most of its revenue and support comes from businesses and individuals within these counties.

NOTE 15 - MULTI-EMPLOYER PENSION PLAN

The Organization and certain affiliated agencies participated in a non-contributory, multi-employer defined benefit pension plan (the "Predecessor Plan"), which covered substantially all of the Organization's employees who were employed as of December 31, 2008. Contributions to the Predecessor Plan for the fiscal year 2020 were $102,557. There were no contributions for the fiscal year 2021, as the Predecessor Plan was spun off effective September 1, 2019.

NOTE 15 - MULTI-EMPLOYER PENSION PLAN - CONTINUED

The Predecessor Plan was frozen as of December 31, 2008 and, effective September 1, 2019, executed a spin-off agreement with Pension Benefit Guaranty Corporation approval. Seven of the nine participating agencies, including the Organization, were spun off into their own single-employer pension plans. One of the two remaining agencies took over sponsorship of the Predecessor Plan. See Note 16 for detail regarding the effects of the liability as of June 30, 2020.

The following represents information about the Predecessor Plan as of June 30, 2020 and the year then ended:

Name of Pension Fund	EIN and Plan Number	Pension Protection Act Zone Status 2021	Pension Protection Act Zone Status 2020	FIP/RP Status	Contributions for the Year Ended June 30 2021	Contributions for the Year Ended June 30 2020	Surcharge Imposed
Employee Benefit Plan of the United Way of the Greater Dayton Area and Affiliated Agencies	31-0536658 Plan No. 333	**N/A**	*	*	**$ -**	$ 102,557	*

* The Predecessor Plan was considered to be a multiple employer plan for Internal Revenue Service purposes. The Predecessor Plan was also considered to be a Cooperative and Small Employer Charity Plan (CSEC). The Organization spun off from the multi-employer defined pension plan during fiscal year 2020, as noted above. Therefore, the Pension Protection Act Zone Status was not evaluated by the Predecessor Plan's actuary for the year ended June 30, 2020.

NOTE 16 - SINGLE-EMPLOYER PENSION PLAN

The Organization has a single-employer pension plan (the "New Plan") that was formed following the Organization's spin-off from the multi-employer pension plan discussed in Note 15. The New Plan covers the Organization's employees previously covered under the multi-employer pension plan, as well as a pro rata share of orphan participants whose employer ceased contributing to the multi-employer pension plan prior to the spin-off. New Plan assets are invested in debt and equity securities maintained by the New Plan's trustee. The historical returns of debt and equity securities under an allocation of the New Plan's current asset mix is adopted for the expected return on plan assets. The New Plan remains frozen for the purposes of participation, earnings and covered compensation.

The following amounts were determined by the Organization's actuary using measurement dates of June 30, 2021 and 2020.

The components of the net periodic defined benefit plan (benefit) expense are as follows for the years ended June 30, 2021 and 2020:

	2021	2020
Interest cost	**$ 152,772**	$ 127,370
Expected return on assets	**(159,021)**	(124,819)
Settlement (gain) loss	**(74,071)**	-
Amortization of unrecognized transition obligation	**25,237**	21,031
Net periodic defined benefit plan (benefit) expense	**$ (55,083)**	$ 23,582

NOTE 16 - SINGLE-EMPLOYER PENSION PLAN - CONTINUED

The components of defined benefit plan changes other than net periodic defined benefit plan (benefit) expense recognized on the statement of activities are as follows for the years ended June 30, 2021 and 2020:

	2021	2020
Net actuarial (gain) loss	**$ (346,147)**	$ 84,631
Unrecognized initial transition obligation	**-**	378,559
Amortization of unrecognized transition obligation	**(25,237)**	(21,031)
Total defined benefit plan changes other than net periodic defined benefit plan (benefit) expense	**$ (371,384)**	$ 442,159

The following are reconciliations of the pension benefit obligation and the value of New Plan assets at June 30, 2021 and 2020:

	2021	2020
Pension benefit obligation		
Balance, beginning of year	**$ 4,456,577**	$ 4,413,168
Interest cost	**152,772**	127,370
Benefits paid to participants	**(114,925)**	(83,961)
Actuarial gain	**(219,480)**	-
Settlement gain	**(607,901)**	-
Balance, end of year	**$ 3,667,043**	$ 4,456,577

	2021	2020
New Plan assets		
Fair value, beginning of year	**$ 2,399,302**	$ 2,249,609
Actual return on assets	**415,104**	40,188
Employer contributions	**485,880**	193,466
Benefits paid to participants	**(114,925)**	(83,961)
Settlement	**(663,246)**	-
Fair value, end of year	**$ 2,522,115**	$ 2,399,302

The funded status of the New Plan was as follows at June 30, 2021 and 2020:

	2021	2020
Excess of the benefit obligation over the value of New Plan assets	**$ (1,144,928)**	$ (2,057,275)
Unrecognizable actuarial loss	**-**	-
Net amount recognized	**$ (1,144,928)**	$ (2,057,275)

NOTE 16 - SINGLE-EMPLOYER PENSION PLAN - CONTINUED

The net amount recognized in the statement of financial position is classified as follows at June 30, 2021 and 2020:

	2021	2020
Pension benefit cost	**$ -**	$ -
Unfunded pension liability	**(1,144,928)**	(2,057,275)
Net amount recognized	**$ (1,144,928)**	$ (2,057,275)

Note that the values of New Plan assets and the benefit obligations are determined as of June 30, 2021 and 2020. Due to the New Plan being frozen, the accumulated benefit obligations and the projected benefit obligations are the same and totaled $3,667,043 and $4,456,577 at June 30, 2021 and 2020. Actuarial assumptions and other selected data at June 30, 2021 and 2020 are summarized as follows:

	2021	2020
Discount rate	**3.00%**	3.50%
Expected rate of return on Plan assets	**6.50%**	6.50%
Rate of compensation increase	**N/A**	N/A

The expected rate of return is based on the historical and/or projected performance of the asset classes within the portfolio. The New Plan's weighted average asset allocations at June 30, 2021 and 2020 by asset category are as follows:

	2021	2020
Asset category		
Equity securities	**65%**	65%
Debt securities	**35%**	35%
	100%	100%

The Organization's overall strategy is to invest in equity and fixed income securities with a moderate risk tolerance, keeping in mind that the New Plan is frozen to participation and benefit accruals with eventual termination. The objective is for the portfolio to be comprised of a target of 60% equities and 40% fixed income with minimum and maximum ranges in mind. Liquid investments will be kept on hand at all times at amounts equal to meeting monthly obligations and annual expenditures.

The following table sets forth, by level within the fair value hierarchy, the New Plan's assets at fair value as of June 30, 2021:

	2021			
	Fair Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Asset category				
Equity securities	**$ 1,639,375**	$ 1,639,375	$ -	$ -
Debt securities	**882,740**	882,740	-	-
	$ 2,522,115	$ 2,522,115	$ -	$ -

NOTE 16 - SINGLE-EMPLOYER PENSION PLAN - CONTINUED

The following table sets forth, by level within the fair value hierarchy, the New Plan's assets at fair value as of June 30, 2020:

	2020			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset category				
Equity securities	**$ 1,559,546**	$ 1,559,546	$ -	$ -
Debt securities	**839,756**	839,756	-	-
	$ 2,399,302	$ 2,399,302	$ -	$ -

The Organization expects to contribute $300,000 to the New Plan for the fiscal year ending June 30, 2022.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid from New Plan assets:

Fiscal Years Ending	**Expected Benefit Payments**
2022	$ 156,585
2023	164,241
2024	176,053
2025	187,408
2026	189,215
2027 - 2031	984,154

The unrecognized initial transition obligation for the defined benefit pension plan that will be amortized from defined benefit plan changes other than net periodic defined benefit plan (benefit) expense into net periodic defined benefit plan (benefit) expense over the next fiscal year is $25,237.

NOTE 17 - RETIREMENT PLAN

Effective January 1, 2009, the Organization established a Safe Harbor 401(k) Plan which covers substantially all of the Organization's employees. The Safe Harbor 401(k) Plan covers full-time employees of the Organization who have completed one year of service and attained at least 1,000 hours of service, provided the participant is at least 21 years old. The Organization will contribute at least 4% each year of the employee's compensation as the safe harbor contribution. The expense for the years 2021 and 2020 was $57,640 and $88,405.

NOTE 18 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on an internal cost allocation method. The main expenses that are allocated include salaries and employee benefits, which are allocated on the basis of estimates of time and effort, as well as professional fees and purchased services, which are allocated based on usage.

NOTE 19 - GRANTS AND DESIGNATED DISBURSEMENTS TO AFFILIATED ORGANIZATIONS

Each calendar year, the Organization disburses the previous year's campaign proceeds to its affiliated organizations. These disbursements include both designated and undesignated pledges. Volunteer and donor grants and designations to agencies for the years ended June 30, 2021 and 2020 were as follows:

	2021	2020
United Way Agencies	**$ 1,900,303**	$ 2,289,711
Neighboring United Way Agencies	**104,208**	141,476
	$ 2,004,511	$ 2,431,187

Total volunteer and donor grants and designations of the campaigns for the years ended June 30, 2021 and 2020 were as follows:

	2021	2020
Grants	**$ 1,102,252**	$ 1,104,727
Designated disbursements	**902,259**	1,326,460
	$ 2,004,511	$ 2,431,187

NOTE 20 - INCOME FROM MEMBER AGENCIES

The Organization provided certain services to various agencies throughout the year. Income from these services was $112,405 and $127,887 for the years 2021 and 2020.

NOTE 21 - AFFILIATE PAYABLE

During 2021 and 2020, the Organization received gifts on behalf of the Hall Hunger Initiative. The Hall Hunger Initiative is not a registered 501(c)(3) tax-exempt organization, and has elected to have the Organization act as its agent with regards to control of its funds. The Organization reflected $1,110,423 and $83,013 of reserved cash and $1,074,363 and $66,371 of affiliate payables at June 30, 2021 and 2020, on its statements of financial position. These funds are to be distributed on a monthly basis to pay the expenses incurred by the Hall Hunger Initiative.

Effective August 31, 2021, the Organization transferred its duty as fiduciary agent to a third party and relinquished control of all funds managed on behalf of the Hall Hunger Initiative to the third party.

NOTE 22 - DONOR DESIGNATIONS PAYABLE

The Organization honors designations from donors to other agencies. These donations are reflected in the statements of activities as campaign contributions in the year they are pledged, less a corresponding amount of equal value for the designation.

Donor designations pledged as part of campaigns run in 2020 or prior, but not disbursed as of June 30, 2021, amounted to $458,325.

Donor designations pledged as part of campaigns run in 2019 or prior, but not disbursed as of June 30, 2020, amounted to $662,996.

NOTE 23 - CASH SURRENDER VALUE OF LIFE INSURANCE

Certain contributors have named the Organization as their beneficiary on life insurance policies. The contributors' pledges were equal to the initial annual premiums due on these policies. The annual premiums, for years subsequent to the year that the pledge was made, are paid through the increases in the insurance policies' value. Premium payments of $23,928 were made by the Organization during the fiscal year 2020. No additional premium payments were made during 2021. The amount recorded in the statements of financial position represents the cash surrender value of those policies, which are classified as net assets with donor restrictions due to an implied time restriction.

During the fiscal years 2021 and 2020, the Organization received $275,365 and $115,544 from these policies.

NOTE 24 - ENDOWMENT FUNDS AND NET ASSETS

The following is a summary of changes in endowment net assets for the year ended June 30, 2021:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor designated net assets, beginning of year	$ -	$ 516,649	**$ 516,649**
Net investment return	-	4,139	**4,139**
Net investment gain (realized and unrealized)	-	121,433	**121,433**
Amounts appropriated for expenditure	-	(19,830)	**(19,830)**
Donor designated net assets, end of year	$ -	$ 622,391	**$ 622,391**

NOTE 24 - ENDOWMENT FUNDS AND NET ASSETS - CONTINUED

The following table summarizes all Organization net assets as of June 30, 2021:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	$ -	$ 622,391	**$ 622,391**
Non-endowment funds:			
Operating	2,130,088	-	**2,130,088**
Beneficial interest in perpetual trusts	-	3,570,311	**3,570,311**
Purpose restricted funds	-	644,913	**644,913**
Cash surrender value of life insurance policies	-	1,740,233	**1,740,233**
	$ 2,130,088	$ 6,577,848	**$ 8,707,936**

The following is a summary of changes in endowment net assets for the year ended June 30, 2020:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor designated net assets, beginning of year	$ -	$ 526,535	**$ 526,535**
Net investment return	-	6,926	**6,926**
Net investment gain (realized and unrealized)	-	2,914	**2,914**
Amounts appropriated for expenditure	-	(19,726)	**(19,726)**
Donor designated net assets, end of year	$ -	$ 516,649	**$ 516,649**

The following table summarizes all Organization net assets as of June 30, 2020:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	$ -	$ 516,649	**$ 516,649**
Non-endowment funds:			
Operating	666,463	-	**666,463**
Beneficial interest in perpetual trusts	-	2,886,080	**2,886,080**
Purpose restricted funds	-	429,829	**429,829**
Cash surrender value of life insurance policies	-	1,999,795	**1,999,795**
	$ 666,463	$ 5,832,353	**$ 6,498,816**

NOTE 25 - OPERATING LEASES

The Organization leases office space in Dayton, Eaton and Xenia, Ohio, and office equipment under 2021 operating leases that extend through December 2023. The leases are as follows:

Office Space/Equipment	Annual Rent	Expiration
Dayton, Ohio Office Space	$ 66,000	Month-to-month, no expiration
Eaton, Ohio Office Space	2,940	June 2022
Xenia, Ohio Office Space	3,000	N/A - Automatic annual renewal unless cancelled by either party
Office Equipment	4,700	December 2023

Total rental expense was $100,887 and $100,579 for the years 2021 and 2020.

Minimum lease payments for operating leases over the next two years are as follows:

2022	$ 5,470
2023	1,270
	$ 6,740

NOTE 26 - UNCERTAINTIES

The COVID-19 pandemic, whose effects first became known in early 2020, is having a substantial impact on the economy and the normal operations of many businesses. During this time, the United States and global stock markets have also experienced significant volatility. As a result of the pandemic, the Organization's revenues and operations were adversely impacted, mainly due to remote work environments lowering the number of in-person campaigns.

The extent of the future impact of COVID-19 on the Organization's operations, financial performance and financial condition will depend on certain developments, including successful vaccination efforts and the duration and spread of the outbreak, which at present cannot be determined.