THE UNITED WAY OF THE GREATER DAYTON AREA

(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

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BRADY WARE & SCHOENFELD

INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the 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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **The United Way of the Greater Dayton Area** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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INDEPENDENT AUDITORS' REPORT - CONTINUED

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **The United Way of the Greater Dayton Area'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 **The United Way of the Greater Dayton Area'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.

Brady, Ware & Schoenfeld, Inc.

Dayton, Ohio
November 15, 2023

THE UNITED WAY OF THE GREATER DAYTON AREA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 836,785**	$ 850,965
Pledges receivable - annual campaigns	**853,114**	1,048,038
Accounts receivable - other	**37,659**	84,726
Employee Retention Credit receivable	**222,510**	212,440
Prepaid expenses	**633**	392
Investments in municipal bonds	**408,695**	403,366
Total current assets	**2,359,396**	2,599,927
PROPERTY AND EQUIPMENT, NET	**104,020**	54,161
OPERATING RIGHT-OF-USE ASSET	**793,248**	-
OTHER ASSETS		
Restricted cash	**226,429**	225,563
Cash surrender value of life insurance	**1,580,442**	1,633,560
Beneficial interest in funds held at The Dayton Foundation	**3,124,152**	3,030,451
Beneficial interest in perpetual trusts	**3,185,050**	2,999,768
	8,116,073	7,889,342
	$ 11,372,737	$ 10,543,430
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Donor designations payable	**$ 357,150**	$ 451,759
Grants payable	**924,711**	979,986
Accounts payable and accrued expenses	**111,557**	80,109
Current operating lease liabilities	**58,920**	-
Total current liabilities	**1,452,338**	1,511,854
LONG-TERM LIABILITIES		
Long-term operating lease liabilities	**736,052**	-
Long-term defined benefit obligation	**695,104**	967,952
Total liabilities	**2,883,494**	2,479,806
NET ASSETS		
Without donor restrictions	**2,540,502**	2,353,032
With donor restrictions	**5,948,741**	5,710,592
	8,489,243	8,063,624
	$ 11,372,737	$ 10,543,430

THE UNITED WAY OF THE GREATER DAYTON AREA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023, WITH COMPARATIVE TOTALS FOR 2022

	Without Donor Restrictions	With Donor Restrictions	2023	2022
PUBLIC SUPPORT AND REVENUE				
Gross campaign contributions	$ 3,126,406	$ -	**$ 3,126,406**	$ 3,521,781
Less				
Donor designations	(699,792)	-	**(699,792)**	(794,929)
Adjustment for net realizable value	(126,638)	-	**(126,638)**	(184,573)
Total campaign revenue	2,299,976	-	**2,299,976**	2,542,279
Freedom Schools grants	85,000	-	**85,000**	80,000
Other contributions and grants	781,218	137,000	**918,218**	813,819
Service fees	83,139	-	**83,139**	101,588
Net investment return	57,740	-	**57,740**	11,901
Information and referral	289,490	-	**289,490**	359,605
Net assets released from restrictions	123,974	(123,974)	**-**	-
Total public support and revenue	3,720,537	13,026	**3,733,563**	3,909,192
EXPENSES				
Program services	2,496,107	-	**2,496,107**	2,563,219
Supporting services				
Management and general	229,630	-	**229,630**	226,818
Fundraising	1,110,022	-	**1,110,022**	793,874
Total expenses	3,835,759	-	**3,835,759**	3,583,911
CHANGE IN NET ASSETS FROM OPERATIONS	(115,222)	13,026	**(102,196)**	325,281
OTHER CHANGES				
Decrease in cash surrender value of life insurance	-	(27,835)	**(27,835)**	(89)
Gain on redemption of life insurance policies	-	-	**-**	36,582
Loss on investments in municipal bonds	(9,660)	-	**(9,660)**	(26,741)
Gain (loss) on beneficial interest in funds held at The Dayton Foundation	151,514	67,676	**219,190**	(470,734)
Gain (loss) on perpetual interest in trusts	120,355	185,282	**305,637**	(457,587)
Loss on disposal of property and equipment	(4,365)	-	**(4,365)**	-
Net periodic defined benefit plan benefit (expense)	(28,966)	-	**(28,966)**	61,742
Defined benefit plan changes other than net periodic plan benefit (expense)	73,814	-	**73,814**	(112,766)
TOTAL OTHER CHANGES	302,692	225,123	**527,815**	(969,593)
CHANGE IN NET ASSETS	187,470	238,149	**425,619**	(644,312)
NET ASSETS				
Beginning of year	2,353,032	5,710,592	**8,063,624**	8,707,936
End of year	$ 2,540,502	$ 5,948,741	**$ 8,489,243**	$ 8,063,624

THE UNITED WAY OF THE GREATER DAYTON AREA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Gross campaign contributions	$ 3,512,349	$ 9,432	**$ 3,521,781**
Less			
Donor designations	(794,929)	-	**(794,929)**
Adjustment for net realizable value	(184,573)	-	**(184,573)**
Total campaign revenue	2,532,847	9,432	**2,542,279**
Freedom Schools grants	80,000	-	**80,000**
Other contributions and grants	813,819	-	**813,819**
Service fees	101,588	-	**101,588**
Net investment return	11,901	-	**11,901**
Information and referral	359,605	-	**359,605**
Net assets released from restrictions	202,484	(202,484)	**-**
Total public support and revenue	4,102,244	(193,052)	**3,909,192**
EXPENSES			
Program services	2,563,219	-	**2,563,219**
Supporting services			
Management and general	226,818	-	**226,818**
Fundraising	793,874	-	**793,874**
Total expenses	3,583,911	-	**3,583,911**
CHANGE IN NET ASSETS FROM OPERATIONS	518,333	(193,052)	**325,281**
OTHER CHANGES			
Decrease in cash surrender value of life insurance	-	(89)	**(89)**
Gain on redemption of life insurance policies	-	36,582	**36,582**
Loss on investments in municipal bonds	(26,741)	-	**(26,741)**
Loss on beneficial interest in funds held at The Dayton Foundation	(330,580)	(140,154)	**(470,734)**
Gain (loss) on perpetual interest in trusts	112,956	(570,543)	**(457,587)**
Net periodic defined benefit plan benefit	61,742	-	**61,742**
Defined benefit plan changes other than net periodic plan benefit	(112,766)	-	**(112,766)**
TOTAL OTHER CHANGES	(295,389)	(674,204)	**(969,593)**
CHANGE IN NET ASSETS	222,944	(867,256)	**(644,312)**
NET ASSETS			
Beginning of year	2,130,088	6,577,848	**8,707,936**
End of year	$ 2,353,032	$ 5,710,592	**$ 8,063,624**

THE UNITED WAY OF THE GREATER DAYTON AREA

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	Program				Supporting Services		
	Community Impact	HelpLink	Special Projects	Total	Management and General	Fundraising	Total Expenses
Salaries	$ 310,764	$ 307,078	$ 53,353	$ 671,195	$ 122,822	$ 619,503	$ 1,413,520
Employee benefits	70,377	45,039	13,936	129,352	20,484	117,337	267,173
Payroll taxes	27,715	24,946	4,129	56,790	9,913	48,817	115,520
Total salaries and related expenses	408,856	377,063	71,418	857,337	153,219	785,657	1,796,213
Professional fees and purchased services	196,444	35,361	4,752	236,557	17,430	66,612	320,599
Supplies	28,194	546	108	28,848	337	1,312	30,497
Telephone	2,005	14,772	476	17,253	910	8,344	26,507
Postage and shipping	104	64	12	180	142	507	829
Occupancy	14,161	21,905	2,638	38,704	4,522	28,639	71,865
Rental and maintenance of equipment	318	460	9	787	146	820	1,753
Subscriptions and publications	33	30	3	66	7	1,267	1,340
Printing and publications	37,775	3,798	8,272	49,845	2,564	188,481	240,890
Travel	40,941	725	306	41,972	874	5,645	48,491
Conferences, conventions and meetings	24,160	3,087	243	27,490	1,089	6,019	34,598
Membership dues	141	547	579	1,267	312	1,653	3,232
Miscellaneous	1,621	1,461	162	3,244	2,697	5,943	11,884
Total expenses before depreciation	754,753	459,819	88,978	1,303,550	184,249	1,100,899	2,588,698
Depreciation	2,737	2,463	274	5,474	3,649	9,123	18,246
Total operating expenses	757,490	462,282	89,252	1,309,024	187,898	1,110,022	2,606,944
Grants	1,187,083	-	-	1,187,083	-	-	1,187,083
United Way of America dues	-	-	-	-	41,732	-	41,732
Total expenses	$ 1,944,573	$ 462,282	$ 89,252	$ 2,496,107	$ 229,630	$ 1,110,022	$ 3,835,759

See notes to financial statements.

THE UNITED WAY OF THE GREATER DAYTON AREA

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

	Program				Supporting Services		
	Community Impact	HelpLink	Special Projects	Total	Management and General	Fundraising	Total Expenses
Salaries	$ 300,269	$ 474,200	$ 56,698	$ 831,167	$ 96,649	$ 496,222	$ 1,424,038
Employee benefits	66,363	56,728	22,454	145,545	18,820	96,973	261,338
Payroll taxes	23,315	31,001	4,041	58,357	7,520	38,530	104,407
Total salaries and related expenses	389,947	561,929	83,193	1,035,069	122,989	631,725	1,789,783
Professional fees and purchased services	169,205	41,257	5,364	215,826	18,325	75,218	309,369
Supplies	10,231	489	175	10,895	368	1,041	12,304
Telephone	1,756	19,180	515	21,451	839	4,213	26,503
Postage and shipping	40	23	35	98	127	830	1,055
Occupancy	13,597	25,508	2,927	42,032	3,895	24,937	70,864
Rental and maintenance of equipment	691	1,408	8	2,107	203	1,146	3,456
Subscriptions and publications	81	73	8	162	17	165	344
Printing and publications	38,379	7,275	4,244	49,898	2,676	38,385	90,959
Travel	133	13	266	412	72	976	1,460
Conferences, conventions and meetings	10,947	843	29	11,819	468	2,560	14,847
Membership dues	197	1,237	846	2,280	387	1,473	4,140
Miscellaneous	200	180	20	400	1,081	2,811	4,292
Total expenses before depreciation	635,404	659,415	97,630	1,392,449	151,447	785,480	2,329,376
Depreciation	2,518	2,266	252	5,036	3,357	8,394	16,787
Total operating expenses	637,922	661,681	97,882	1,397,485	154,804	793,874	2,346,163
Grants	1,165,734	-	-	1,165,734	-	-	1,165,734
United Way of America dues	-	-	-	-	72,014	-	72,014
Total expenses	$ 1,803,656	$ 661,681	$ 97,882	$ 2,563,219	$ 226,818	$ 793,874	$ 3,583,911

THE UNITED WAY OF THE GREATER DAYTON AREA

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
OPERATING ACTIVITIES		
Change in net assets	**$ 425,619**	$ (644,312)
Adjustments to reconcile change in net assets to net cash and cash equivalents and restricted cash provided (used) by operating activities:		
Depreciation	**18,246**	16,787
Decrease in value of cash surrender value of life insurance	**27,835**	89
Gain on redemption of life insurance policies	**-**	(36,582)
Net realized and unrealized (gain) loss on investments and beneficial interest in funds held at The Dayton Foundation	**(128,051)**	562,081
Net investment (gain) loss from perpetual interest in trusts	**(185,282)**	570,543
Loss on disposal of property and equipment	**4,365**	
Contributions to defined benefit plan	**(228,000)**	(228,000)
Net periodic defined benefit plan (benefit) expense	**28,966**	(61,742)
Defined benefit plan changes other than periodic plan (benefit) expense	**(73,814)**	112,766
Noncash operating lease expense	**1,724**	-
	(108,392)	291,630
Changes in operating assets and liabilities:		
Pledges receivable - annual campaigns	**194,924**	158,386
Accounts receivable - other	**47,067**	(63,635)
Employee Retention Credit receivable	**(10,070)**	(212,440)
Prepaid expenses	**(241)**	(62)
Donor designations payable	**(94,609)**	(6,566)
Grants payable	**(55,275)**	(90,493)
Accounts payable and accrued expenses	**31,448**	15,349
Affiliate payable	**-**	(1,074,363)
Net cash and cash equivalents and restricted cash provided (used) by operating activities	**4,852**	(982,194)
INVESTING ACTIVITIES		
Purchases of property and equipment	**(72,470)**	(7,354)
Purchases of investments	**(96,269)**	(73,617)
Proceeds received from sales and maturities of investments	**125,290**	119,021
Proceeds from life insurance policies	**25,283**	143,166
Net cash and cash equivalents and restricted cash provided (used) by investing activities	**(18,166)**	181,216
NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	**(13,314)**	(800,978)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning of year	**1,076,528**	1,877,506
End of year	**$ 1,063,214**	$ 1,076,528

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Restricted Cash - The Organization had $226,429 and $225,563 of restricted cash at June 30, 2023 and 2022, 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. Restricted contributions whose restrictions are met in the same reporting period are recorded as contributions without donor restrictions.

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 institution. 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 2023 and 2022 were $49,935 and $53,095.

Property and Equipment - Property and equipment are 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.

The Organization reviews for impairment of long-lived assets in accordance with accounting standards. These standards require organizations to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at June 30, 2023 and 2022.

Leases - In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in accordance with FASB ASC 840.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The Organization elected the available practical expedients to account for their existing operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

Given the Organization had no operating leases with terms greater than 12 months as of July 1, 2022, there was no impact as a result of adoption of the new lease accounting guidance at July 1, 2022.

The standard had an impact on the statement of financial position, but did not have an impact on the statement of activities. The impact on the statement of cash flows is minimal. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases on the statement of financial position.

The Organization leases office space and certain office equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets, current operating lease liabilities and long-term operating lease liabilities on the statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent an obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As Organization's leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU assets also include any lease payments made and exclude lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has elected to apply the short-term lease exemption to certain office space and office equipment. In 2023, the Organization had only a small number of leases that qualify for the exemption. The short-term lease cost recognized and disclosed for those leases in 2023 is $28,694. The remaining lease payments due in 2024 are $4,208.

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. The pledges receivable are expected to be received within one year.

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, 2023 and 2022.

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.

Subsequent Events - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 15, 2023, the date the financial statements were available to be issued.

NOTE 3 - REVENUE RECOGNITION

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 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.

NOTE 3 - REVENUE RECOGNITION - CONTINUED

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.

The contract balances at June 30, 2021 included other receivables of $21,091.

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.

Revenue

Revenue recognized from performance obligations satisfied at a point in time and over time for 2023 and 2022 consists of the following:

	2023	2022
Performance obligations satisfied at a point in time	**$ 83,139**	$ 101,588
Performance obligations satisfied over time	**289,490**	359,605
	$ 372,629	$ 461,193

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.

NOTE 4 - LIQUIDITY AND AVAILABILITY - CONTINUED

	2023	2022
Cash and cash equivalents	$ 836,785	$ 850,965
Pledges receivable, net	853,114	1,048,038
Accounts receivable - other	37,659	84,726
Employee Retention Credit receivable	222,510	212,440
Investments in municipal bonds	408,695	403,366
Restricted cash	226,429	225,563
Beneficial interest in funds held at The Dayton Foundation	3,124,152	3,030,451
Beneficial interest in perpetual trusts	3,185,050	2,999,768
Total financial assets	8,894,394	8,855,317
Less those unavailable for general expenditure within one year due to:		
Purpose restrictions not included in endowment funds	(193,058)	(115,278)
Restricted cash	(226,429)	(225,563)
Donor designations payable	(357,150)	(451,759)
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	(2,998,851)	(2,906,289)
Beneficial interest in perpetual trusts less next year's approved draw	(3,051,813)	(2,879,413)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,067,093	$ 2,277,015

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. Additionally, the Organization has available a line of credit with a borrowing limit of $350,000 as described in Note 12.

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, 2023 and 2022, $2,133,960 and $2,068,464 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 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. Restricted cash consists of cash maintained in a separate bank account to use as collateral against the Organization's line of credit. See Note 12 for further detail.

The following table provides a reconciliation of cash, cash equivalents 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.

	2023	2022
Cash and cash equivalents	**$ 836,785**	$ 850,965
Restricted cash	**226,429**	225,563
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	**$ 1,063,214**	$ 1,076,528

NOTE 6 - EMPLOYEE RETENTION CREDIT

Due to hardships caused by the COVID-19 pandemic, the Organization qualified for an Employee Retention Credit ("ERC"). The ERC was provided for under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), including subsequent amendments. For the calendar year 2021, the ERC was equal to 70% of qualified wages paid to employees during a qualifying quarter, capped at $10,000 of qualified wages per employee. This payroll tax credit was available to offset certain employment taxes with any excess being refunded. The ERC for qualifying quarters in 2021 was estimated to be $404,985, and was filed during the year ended June 30, 2022. Of this amount, $192,545 was received as of June 30, 2022, with the remainder reported as a receivable on the statement of financial position. The full amount was recorded as other contributions and grants revenue on the statement of activities for the year 2022. The Organization received the ERC funds in July 2023 in the amount of $222,510, which included interest of $10,070. The Organization recorded the interest income in 2023.

NOTE 7 - PROPERTY AND EQUIPMENT

	2023	2022
Equipment	**$ 121,374**	$ 140,156
Furniture and fixtures	**58,902**	13,803
Total property and equipment	**180,276**	153,959
Less accumulated depreciation	**(76,256)**	(99,798)
	$ 104,020	$ 54,161

NOTE 8 - 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, 2023 and 2022:

	2023	2022
Without donor restrictions:		
United Way of the Greater Dayton Area Endowment Fund	**$ 1,377,004**	$ 1,338,309
United Way of the Greater Dayton Area Memorial Fund	**756,956**	730,155
	2,133,960	2,068,464
With donor restrictions:		
United Way of the Greater Dayton Area Campaign Fund	**449,762**	437,130
Rike Family Endowment Fund	**512,769**	498,372
Gertrude Mellen Fund	**27,661**	26,485
	990,192	961,987
Total beneficial interest in funds held at The Dayton Foundation	**$ 3,124,152**	$ 3,030,451
Investments in municipal bonds	**$ 408,695**	$ 403,366

NOTE 9 - 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 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:

	2023	2022
C.H. Dean & Associates Inc. Fund	**$ 253,540**	$ 257,115
Berry Family Fund	**2,853,626**	2,666,343
Marie S. Aull Fund	**77,884**	76,310
	$ 3,185,050	$ 2,999,768

NOTE 10 - 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 at 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 10 - FAIR VALUE MEASUREMENTS - CONTINUED

Fair values of the Organization's financial assets measured on a recurring basis at June 30, 2023 are as follows:

	2023			
	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	**$ 408,695**	$ 408,695	$ -	$ -
Beneficial interest in funds held at The Dayton Foundation	**3,124,152**	-	-	3,124,152
Beneficial interest in perpetual trusts	**3,185,050**	-	-	3,185,050
	$ 6,717,897	$ 408,695	$ -	$ 6,309,202

Fair values of the Organization's financial assets measured on a recurring basis at June 30, 2022 are as follows:

	2022			
	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	**$ 403,366**	$ 403,366	$ -	$ -
Beneficial interest in funds held at The Dayton Foundation	**3,030,451**	-	-	3,030,451
Beneficial interest in perpetual trusts	**2,999,768**	-	-	2,999,768
	$ 6,433,585	$ 403,366	$ -	$ 6,030,219

There were no transfers into or out of Level 3 investments for the years ended June 30, 2023 and 2022. The only changes that occurred during the years ended June 30, 2023 and 2022 were the change in fair value and distributions.

NOTE 11 - LEASING ACTIVITIES

The Organization entered into an operating lease agreement for its Dayton office on June 1, 2023. The agreement expires in June 2033. Monthly payments range from $7,170 to $8,953.

The maturities of operating lease liabilities as of June 30, 2023 are as follows:

2024	$ 86,395
2025	88,554
2026	90,760
2027	93,029
2028	95,355
Thereafter	495,392
Total lease payments	949,485
Less interest	(154,513)
Present value of lease liabilities	$ 794,972

The following summarizes the line items in the statement of activities which include the components of lease expense for the years ended June 30, 2023 and 2022:

	2023	2022
Operating lease expense allocated to functional expenses	**$ 16,064**	$ 43,348

The following summarizes the weighted average remaining operating lease term and discount rate as of June 30, 2023:

Weighted Average Remaining Lease Term	
Operating leases	9.92 years
Weighted Average Discount Rate	
Operating leases	3.61%

The following summarizes cash flow information related to leases for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases	$ 14,340
Supplemental noncash information on operating leases:	
Lease assets obtained in exchange for lease obligations:	
Operating leases	$ 804,529

NOTE 12 - LINE OF CREDIT

The Organization obtained a $350,000 revolving line of credit from PNC Bank in June 2019. The line of credit offered the Organization cash advances to use for working capital or other general business purposes and expired in May 2023. During 2023, the line of credit was amended and extended through May 2024. Interest was charged at the daily Bloomberg Short-Term Bank Yield ("BSBY") rate plus 175 basis points. The BSBY rate at June 30, 2023 and 2022 was 5.17% and 1.58%. There was no balance on the line of credit at June 30, 2023 and 2022 and no related interest expense for the years 2023 and 2022.

The line of credit is collateralized by a money market account held at PNC Bank. The balance of this account was $226,429 and $225,563 as of June 30, 2023 and 2022, and is classified as restricted cash in the statements of financial position.

NOTE 13 - NET ASSETS WITHOUT DONOR RESTRICTIONS

A summary of appropriated and unappropriated net assets without donor restrictions as of June 30, 2023 and 2022 are as follows:

	2023	2022
Appropriated		
Funds held at The Dayton Foundation	**$ 2,133,960**	$ 2,068,464
Unappropriated surplus	**406,542**	284,568
Net assets without donor restrictions	**$ 2,540,502**	$ 2,353,032

NOTE 14 - NET ASSETS WITH DONOR RESTRICTIONS

The following table summarizes net assets with donor restrictions at June 30, 2023 and 2022:

	2023	2022
Time restricted net assets:		
Cash surrender value of life insurance	**$ 1,580,442**	$ 1,633,560
Purpose restricted net assets:		
United Way of the Greater Dayton Area Campaign Fund	**449,762**	437,130
Freedom Schools pledges	**56,058**	115,278
Strong Families Project grant	**137,000**	-
Rike Family Endowment Fund investment earnings	**262,768**	248,371
Gertrude Mellen Fund investment earnings	**2,661**	1,485
	908,249	802,264
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	**3,185,050**	2,999,768
	$ 5,948,741	$ 5,710,592

NOTE 14 - NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED

The following schedule is the assets released from restrictions for the years ended June 30, 2023 and 2022:

	2023	2022
Release of purpose restriction	$ 123,974	$ 165,902
Release of time restriction	-	36,582
	$ 123,974	$ 202,484

NOTE 15 - 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 16 - SINGLE-EMPLOYER PENSION PLAN

The Organization has a single-employer pension plan (the "Plan") that was formed following the Organization's spin-off from a multi-employer pension plan effective September 1, 2019. The 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. Plan assets are invested in debt and equity securities maintained by the Plan's trustee. The historical returns of debt and equity securities under an allocation of the Plan's current asset mix is adopted for the expected return on plan assets. The 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, 2023 and 2022.

The components of the net periodic defined benefit plan (benefit) expense are as follows for the years ended June 30, 2023 and 2022:

	2023	2022
Interest cost	$ 106,926	$ 107,680
Expected return on assets	(103,197)	(168,679)
Settlement gain	-	(25,980)
Amortization of unrecognized transition obligation	25,237	25,237
Net periodic defined benefit plan (benefit) expense	$ 28,966	$ (61,742)

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 statements of activities are as follows for the years ended June 30, 2023 and 2022:

	2023	2022
Net actuarial (gain) loss	$ (48,577)	$ 138,003
Amortization of unrecognized transition obligation	(25,237)	(25,237)
Total defined benefit plan changes other than net periodic defined benefit plan (benefit) expense	$ (73,814)	$ 112,766

The following are reconciliations of the pension benefit obligation and the value of Plan assets at June 30, 2023 and 2022:

	2023	2022
Pension benefit obligation		
Balance, beginning of year	$ 2,512,035	$ 3,667,043
Interest cost	106,926	107,680
Benefits paid to participants	(166,187)	(97,683)
Actuarial gain	(89,310)	(711,799)
Settlement gain	-	(453,206)
Balance, end of year	$ 2,363,464	$ 2,512,035

	2023	2022
Plan assets		
Fair value, beginning of year	$ 1,544,083	$ 2,522,115
Actual return on assets	62,464	(449,204)
Employer contributions	228,000	228,000
Benefits paid to participants	(166,187)	(97,683)
Settlement	-	(659,145)
Fair value, end of year	$ 1,668,360	$ 1,544,083

The funded status of the Plan was as follows at June 30, 2023 and 2022:

	2023	2022
Excess of the benefit obligation over the value of Plan assets	$ (695,104)	$ (967,952)
Unrecognizable actuarial loss	-	-
Net amount recognized	$ (695,104)	$ (967,952)

NOTE 16 - SINGLE-EMPLOYER PENSION PLAN - CONTINUED

The net amount recognized in the statements of financial position is classified as follows at June 30, 2023 and 2022:

	2023	2022
Pension benefit cost	**$ -**	$ -
Unfunded pension liability	**(695,104)**	(967,952)
Net amount recognized	**$ (695,104)**	$ (967,952)

Note that the values of Plan assets and the benefit obligations are determined as of June 30, 2023 and 2022. Due to the Plan being frozen, the accumulated benefit obligations and the projected benefit obligations are the same and totaled $2,363,464 and $2,512,035 at June 30, 2023 and 2022. Actuarial assumptions and other selected data at June 30, 2023 and 2022 are summarized as follows:

	2023	2022
Discount rate	**4.89%**	4.38%
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 Plan's weighted average asset allocations at June 30, 2023 and 2022 by asset category are as follows:

	2023	2022
Asset category		
Equity securities	**54%**	57%
Debt securities	**31%**	36%
Cash and cash equivalents	**15%**	7%
	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 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.

NOTE 16 - SINGLE-EMPLOYER PENSION PLAN - CONTINUED

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2023:

	2023			
	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	**$ 900,914**	$ 900,914	$ -	$ -
Debt securities	**517,192**	517,192	-	-
Cash and cash equivalents	**250,254**	250,254	-	-
	$ 1,668,360	$ 1,668,360	$ -	$ -

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2022:

	2022			
	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	**$ 880,127**	$ 880,127	$ -	$ -
Debt securities	**555,870**	555,870	-	-
Cash and cash equivalents	**108,086**	108,086	-	-
	$ 1,544,083	$ 1,544,083	$ -	$ -

The Organization expects to contribute $228,000 to the Plan for the fiscal year ending June 30, 2024.

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

Fiscal Years Ending	**Expected Benefit Payments**
2024	$ 154,323
2025	157,565
2026	155,322
2027	160,147
2028	162,476
2029 - 2033	810,928

NOTE 16 - SINGLE-EMPLOYER PENSION PLAN - CONTINUED

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 into net periodic defined benefit plan benefit 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. During fiscal year 2022, the Organization contributed at least 4% of the employee's compensation as the safe harbor contribution. Effective August 2022, the Organization reinstated an additional 2% matching contribution. The expense for the years 2023 and 2022 was $71,537 and $54,663.

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, 2023 and 2022 were as follows:

	2023	2022
United Way Agencies	**$ 1,789,570**	$ 1,864,007
Neighboring United Way Agencies	**97,305**	96,656
	$ 1,886,875	$ 1,960,663

Total volunteer and donor grants and designations of the campaigns for the years ended June 30, 2023 and 2022 were as follows:

	2023	2022
Grants	**$ 1,187,083**	$ 1,165,734
Designated disbursements	**699,792**	794,929
	$ 1,886,875	$ 1,960,663

NOTE 20 - INCOME FROM MEMBER AGENCIES

The Organization provided certain services to various agencies throughout the year. Income from these services was $83,139 and $101,588 for the years 2023 and 2022.

NOTE 21 - 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 2022 or prior, but not disbursed as of June 30, 2023 amounted to $357,150.

Donor designations pledged as part of campaigns run in 2021 or prior, but not disbursed as of June 30, 2022 amounted to $451,759.

NOTE 22 - 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. No additional premium payments were made by the Organization during 2023 and 2022. 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 2023 and 2022, the Organization received $25,283 and $143,166 from these policies.

NOTE 23 - ENDOWMENT FUNDS AND NET ASSETS

The following is a summary of changes in endowment net assets for the year ended June 30, 2023:

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Donor designated net assets, beginning of year	$ -	$ 524,856	**$ 524,856**
Net investment return	-	10,045	**10,045**
Net investment gain (realized and unrealized)	-	27,083	**27,083**
Amounts appropriated for expenditure	-	(21,555)	**(21,555)**
Donor designated net assets, end of year	$ -	$ 540,429	**$ 540,429**

NOTE 23 - ENDOWMENT FUNDS AND NET ASSETS - CONTINUED

The following table summarizes all Organization net assets as of June 30, 2023:

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment funds	$ -	$ 540,429	**$ 540,429**
Non-endowment funds:			
Operating	406,542	-	**406,542**
Board designated	2,133,960	-	**2,133,960**
Beneficial interest in perpetual trusts	-	3,185,050	**3,185,050**
Purpose restricted funds	-	642,820	**642,820**
Cash surrender value of life insurance policies	-	1,580,442	**1,580,442**
	$ 2,540,502	$ 5,948,741	**$ 8,489,243**

The following is a summary of changes in endowment net assets for the year ended June 30, 2022:

	2022		
	Without Donor Restrictions	With Donor Restrictions	**Total**
Donor designated net assets, beginning of year	$ -	$ 622,391	**$ 622,391**
Net investment return	-	6,645	**6,645**
Net investment loss (realized and unrealized)	-	(83,723)	**(83,723)**
Amounts appropriated for expenditure	-	(20,457)	**(20,457)**
Donor designated net assets, end of year	$ -	$ 524,856	**$ 524,856**

The following table summarizes all Organization net assets as of June 30, 2022:

	2022		
	Without Donor Restrictions	With Donor Restrictions	**Total**
Endowment funds	$ -	$ 524,856	**$ 524,856**
Non-endowment funds:			
Operating	284,568	-	**284,568**
Board designated	2,068,464	-	**2,068,464**
Beneficial interest in perpetual trusts	-	2,999,768	**2,999,768**
Purpose restricted funds	-	552,408	**552,408**
Cash surrender value of life insurance policies	-	1,633,560	**1,633,560**
	$ 2,353,032	$ 5,710,592	**$ 8,063,624**