



**United Way
of Lake County**

**AUDITED
FINANCIAL STATEMENTS**

JUNE 30, 2024 AND 2023

UNITED WAY OF LAKE COUNTY, INC.

INDEX

JUNE 30, 2024

(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Lake County

Opinion

We have audited the accompanying financial statements of United Way of Lake County, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Lake County as of June 30, 2024 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Lake County'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, on our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Lake County'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 matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited United Way of Lake County's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 21, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Funds Awarded to Member Agencies and Others is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Concord, Ohio
_____, 2025

H&J
Certified Public Accountants

UNITED WAY OF LAKE COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS 2023)

	2024	2023
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 282,665	\$ 307,766
Restricted Cash and Cash Equivalents	13,705	13,705
Pledges Receivable	379,043	431,243
(Less Allowance for Uncollectible Pledges)	(50,000)	(70,000)
Prepaid Expenses and Other	8,091	6,736
	633,504	689,450
Property and Equipment, Net	358,034	365,289
Other Assets		
Cash Surrender Value of Life Insurance	31,059	30,204
Investments	3,553,637	2,822,149
	3,584,696	2,852,353
TOTAL ASSETS	\$ 4,576,234	\$ 3,907,092
LIABILITIES AND NET ASSETS		
Current Liabilities		
Allocations Payable	\$ 1,000,000	\$ 880,000
Designations and Other Agency Payables	32,921	55,286
Accounts Payable and Accrued Expenses	4,644	17,093
Other Payables	14,045	13,967
	1,051,610	966,346
NET ASSETS		
Without Donor Restrictions	3,294,838	2,738,972
With Donor Restrictions	229,786	201,774
	3,524,624	2,940,746
TOTAL NET ASSETS	3,524,624	2,940,746
TOTAL LIABILITIES AND NET ASSETS	\$ 4,576,234	\$ 3,907,092

See accompanying notes.

UNITED WAY OF LAKE COUNTY, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2024	2023
PUBLIC SUPPORT AND REVENUE				
Gross Campaign Results	\$ 1,591,735	\$ 254,271	\$ 1,846,006	\$ 1,665,857
Less Donor Designations	(99,185)	-	(99,185)	(125,924)
Less Allowance for Uncollectible Pledges	(16,702)	-	(16,702)	(72,950)
Net Campaign Revenue	<u>1,475,848</u>	<u>254,271</u>	<u>1,730,119</u>	<u>1,466,983</u>
Bequest	227,932	-	227,932	-
Grants	75,000	23,802	98,802	18,391
In-Kind Support	88,596	-	88,596	115,769
Employee Retention Tax Credit	38,532	-	38,532	70,163
Rental Income	21,000	-	21,000	15,000
Other Income	16,442	-	16,442	661
Processing Fees	4,014	-	4,014	4,693
Net Assets Released from Restrictions	<u>250,061</u>	<u>(250,061)</u>	<u>-</u>	<u>-</u>
 TOTAL PUBLIC SUPPORT AND REVENUE	 <u>2,197,425</u>	 <u>28,012</u>	 <u>2,225,437</u>	 <u>1,691,660</u>
EXPENSES				
Program Services:				
Gross Funds Awarded/Distributed	1,161,354	-	1,161,354	1,016,999
Less Donor Designations	(99,185)	-	(99,185)	(125,924)
Net Funds Awarded/Distributed	<u>1,062,169</u>	<u>-</u>	<u>1,062,169</u>	<u>891,075</u>
 Community Impact	 445,917	 -	 445,917	 422,202
Allocations and Agency Relations	84,315	-	84,315	72,899
Total Program Services	<u>1,592,401</u>	<u>-</u>	<u>1,592,401</u>	<u>1,386,176</u>
Supporting Services:				
Management and General	110,249	-	110,249	114,152
Resource Development	301,941	-	301,941	324,989
Total Supporting Services	<u>412,190</u>	<u>-</u>	<u>412,190</u>	<u>439,141</u>
 TOTAL EXPENSES	 <u>2,004,591</u>	 <u>-</u>	 <u>2,004,591</u>	 <u>1,825,317</u>
 Increase (Decrease) in Net Assets as a Result of Operations	 <u>192,834</u>	 <u>28,012</u>	 <u>220,846</u>	 <u>(133,657)</u>
NON-OPERATING ACTIVITIES				
Unrealized Gain on Investments	266,668	-	266,668	150,076
Investment Income, Net	96,364	-	96,364	87,179
	<u>363,032</u>	<u>-</u>	<u>363,032</u>	<u>237,255</u>
 CHANGE IN NET ASSETS	 <u>555,866</u>	 <u>28,012</u>	 <u>583,878</u>	 <u>103,598</u>
 NET ASSETS – BEGINNING	 <u>2,738,972</u>	 <u>201,774</u>	 <u>2,940,746</u>	 <u>2,837,148</u>
 NET ASSETS – ENDING	 <u>\$ 3,294,838</u>	 <u>\$ 229,786</u>	 <u>\$ 3,524,624</u>	 <u>\$ 2,940,746</u>

See accompanying notes.

UNITED WAY OF LAKE COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

EXPENSES	DIRECT COMMUNITY SERVICE PROGRAMS			SUPPORTING SERVICES			TOTAL	
	ALLOCATIONS			MANAGEMENT AND GENERAL	RESOURCE DEVELOPMENT	TOTAL	2024	2023
	COMMUNITY IMPACT	AND AGENCY RELATIONS	TOTAL					
Salaries	\$ 133,414	\$ 54,106	\$ 187,520	\$ 61,900	\$ 126,327	\$ 188,227	\$ 375,747	\$ 365,507
Employee Benefits	20,664	8,380	29,044	9,587	19,566	29,153	58,197	49,954
Payroll Taxes	10,259	4,161	14,420	4,760	9,714	14,474	28,894	27,726
Total Personnel Cost	164,337	66,647	230,984	76,247	155,607	231,854	462,838	443,187
Meetings and Awards	53,777	-	53,777	-	94,509	94,509	148,286	143,853
Gifts In-Kind	83,281	-	83,281	-	5,316	5,316	88,597	115,769
Food	57,694	-	57,694	-	-	-	57,694	45,542
Professional and Contract Service Fees	14,834	3,659	18,493	15,771	9,373	25,144	43,637	45,833
Occupancy	13,676	2,487	16,163	4,973	3,730	8,703	24,866	22,453
Depreciation	14,397	2,166	16,563	4,332	3,249	7,581	24,144	24,144
Miscellaneous	12,328	2,115	14,443	2,449	4,938	7,387	21,830	14,681
United Way Worldwide Membership Dues	6,543	2,653	9,196	3,036	6,195	9,231	18,427	12,513
Advertising	5,438	-	5,438	-	5,438	5,438	10,876	8,784
Media	5,426	-	5,426	-	5,426	5,426	10,852	12,089
Communications	3,268	1,325	4,593	1,516	3,094	4,610	9,203	9,820
Insurance	2,765	1,121	3,886	1,283	2,618	3,901	7,787	7,390
Travel and Conferences	5,692	1,897	7,589	-	-	-	7,589	4,840
Postage	600	-	600	25	1,876	1,901	2,501	18,570
Supplies	604	245	849	280	572	852	1,701	2,730
Dues and Subscriptions	1,257	-	1,257	337	-	337	1,594	2,044
Subtotal	\$ 445,917	\$ 84,315	530,232	\$ 110,249	\$ 301,941	412,190	942,422	934,242
Allocations/Awards			1,062,169			-	1,062,169	891,075
Total			\$ 1,592,401			\$ 412,190	\$ 2,004,591	\$ 1,825,317

See accompanying notes.

UNITED WAY OF LAKE COUNTY, INC.

STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 583,878	\$ 103,598
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	24,144	24,145
Net Unrealized Gain on Investments	(266,668)	(150,076)
Decrease in Allowance for Uncollectible Pledges	(20,000)	-
Decrease (Increase) in Operating Assets:		
Pledges Receivable	52,200	46,564
Prepaid Expenses and Other	(1,355)	220
Increase (Decrease) in Operating Liabilities:		
Allocations Payable	120,000	30,000
Designations and Other Agency Payables	(22,365)	19,178
Accounts Payable and Accrued Expenses	(12,449)	1,772
Other Payables	78	(2,237)
Cash Provided by Operating Activities	457,463	73,164
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of Investments	66,592	-
Increase in CSV of Life Insurance	(855)	(830)
Purchase of Property and Equipment	(16,889)	-
Purchase of Investments	(531,412)	(386,825)
Cash Used by Investing Activities	(482,564)	(387,655)
Net Decrease in Cash and Cash Equivalents	(25,101)	(314,491)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	321,471	635,962
CASH AND EQUIVALENTS AT END OF YEAR	\$ 296,370	\$ 321,471
RECONCILIATION OF CASH AND RESTRICTED CASH		
Cash and Cash Equivalents	\$ 282,665	\$ 307,766
Restricted Cash and Cash Equivalents	13,705	13,705
	\$ 296,370	\$ 321,471

See accompanying notes.

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 and 2023

1. NATURE OF ACTIVITIES

United Way of Lake County, Inc. ("UWLC"), an Ohio nonprofit corporation founded in 1972, is a voluntary health and welfare organization governed by a volunteer Board of Directors. UWLC's mission is to measurably improve the quality of people's lives in Lake County. UWLC's vision is to become the entrusted champion that drives improved outcomes in the Lake County, Ohio community by funding services that impact health, education and financial stability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

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

UWLC classifies its net assets and revenues, expenses, gains and losses on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of UWLC and changes therein are classified as follows:

Net assets without donor restrictions: Net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of UWLC. The UWLC board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of UWLC or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

SUMMARIZED FINANCIAL INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net asset category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with UWLC's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Certain amounts in the prior-year summarized comparative information have been reclassified to be consistent with the presentation in the current-year financial statements. These classifications had no impact on changes in net assets as previously presented.

USE OF ESTIMATES

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

CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

For purposes of the statement of cash flows, UWLC considers all highly liquid investments with an initial maturity of three months or less, and which are not held by investment managers as part of an investment portfolio, to be cash equivalents.

Restricted cash totaling \$13,705 as of June 30, 2024 and 2023 consists of amounts held for a fiscal sponsored organization.

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 and 2023

CONCENTRATION OF CREDIT AND MARKET RISKS

Primarily all of UWLC's revenues and receivables are from businesses and individuals located in northeastern Ohio.

Cash accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 for all combined deposits at the same bank. At June 30, 2024, UWLC's cash balances exceeded federally insured limits by approximately \$45,000. UWLC maintains its cash with high quality financial institutions which UWLC believes limit these risks.

UWLC also invests funds in a professionally managed portfolio that contains various securities detailed in certain footnotes. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. The investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

The cash and investment balances are in compliance with the investment policy of UWLC and are overseen by UWLC's finance committee.

FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). UWLC groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- | | |
|---------|--|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date. |
| Level 2 | Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none"> • Quoted prices for similar assets/liabilities in active markets; • Quoted prices for identical or similar assets in non-active markets; • Inputs other than quoted prices that are observable for the asset/liability; and, • Inputs that are derived principally from or corroborated by other observable market data. |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data. |

PLEDGES AND GRANTS RECEIVABLE

Pledges and grants receivable are stated at the amount management expects to collect from outstanding balances. Provision for uncollectible pledges is determined based upon historical experience adjusted by management estimates of current economic factors, applied to gross campaign, excluding donor designations. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts. The allowance for doubtful accounts at June 30, 2024 and 2023 was \$50,000 and \$70,000, respectively. For the annual campaign, any remaining uncollectible pledge balances are written off as of the succeeding year-end.

INVESTMENTS

UWLC records investments in securities at the fair value on date of purchase or donation and recognizes the unrealized gain or loss resulting from the difference between cost and market value in the statement of activities. Investments with readily determinable fair values are stated at fair market value in the statement of financial position.

PROPERTY AND EQUIPMENT

Purchased assets are stated at cost and donated assets are stated at the fair market value at the date of acquisition. Depreciation is computed on the straight-line basis over the assets' estimated useful lives (5-40 years). UWLC generally capitalizes all expenditures for property and equipment in excess of \$5,000. Repairs and maintenance are expensed as incurred.

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 and 2023

IMPAIRMENT OF ASSETS

UWLC accounts for long-lived assets in accordance with the *Accounting for Impairment of Long-Lived Assets* topic of the FASB *Accounting Standards Codification (ASC)*. This guidance requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. No impairment charges were recorded during the years ended June 30, 2024 and 2023.

CAMPAIGN YEAR, PLEDGES AND ALLOCATION TO AGENCIES

Each year, from July to June, UWLC conducts its annual fundraising campaign. Unconditional pledges are recorded when received. Pledges are collected over a period of approximately two years from the beginning of the campaign. Final results of the campaign are used to develop an allocation to agencies that will be paid in the next period. Each April, a review process is conducted by community volunteers to determine allocation payments to agencies. In June, the Board approves the allocations and agreements are executed with the agencies. Allocations are recognized as a liability when formally approved by the Board and communicated to agencies, and are generally paid over the ensuing twelve months.

DONOR DESIGNATIONS

Designations from donors to specific nonprofit organizations other than UWLC are deducted from gross campaign results to arrive at net contribution revenue. Similarly, gross funds awarded/distributed are reduced by donor designations. United Way pledges received from donors who have elected to use third-party pledge administrators to process the designation payments on their behalf are included in gross campaign results and gross agency distributions, in accordance with United Way Worldwide membership requirements. They are not included in pledges receivable or designations payable because those donations are paid directly by the donor to the third-party administrator to remit to the designated agencies.

CUSTODIAL ACCOUNTS

UWLC administers national fundraising campaigns for local employers that have employees located outside of UWLC's local region. Pledges collected from these national campaigns are held by UWLC for the accounts of other agencies and are disbursed as directed by the donors. UWLC allows these donors to designate their contributions to any agency in the United States qualified to receive charitable contributions.

Pledged contributions for the years ended June 30, 2024 and 2023 that relate to national accounts outside of UWLC's region are not reflected on the accompanying statement of activities. The revenue is reflected in the financial statements of United Way organizations serving those regions. Pledges collected and payable to other agencies at June 30 are recorded as designations and other agency payables in the statements of financial position. Any portion of the pledged contributions that is not collected is not distributed to the designated agency.

REVENUE AND REVENUE RECOGNITION

Unconditional donor promises to give are reported at fair value at the date that there is sufficient verifiable evidence documenting that a promise was made by the donor and received by UWLC. The gifts are reported as either net assets without donor restriction or net assets with donor restriction if they are received with donor stipulations that sufficiently limit the use of the donated assets. When a donor restriction expires, through the passage of time or when the purpose is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and are reported on the statement of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restriction; otherwise, the contributions are recorded as net assets without donor restriction. UWLC recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 and 2023

Contributed income of cash or other assets that must be used to acquire long-lived assets are recorded as contributions with donor restrictions and grants until the assets are acquired and placed in service.

Gains and losses on investments are reported as increases or decreases to net assets without donor restrictions unless their use is restricted by donor-imposed stipulation or by state law.

UWLC records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

UWLC recognizes in-kind services in accordance with applicable accounting standards if the services received (a) create or enhance non-financial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Contributed food in the amount of \$77,965 and \$75,967 was recognized as program expense in 2024 and 2023, respectively and is reflected on the statement of functional expenses. The value per pound of contributed food amounted to \$1.93 (2024 and 2023) as derived from the most recent audited financial statements of Feeding America. In addition, UWLC received donated program and campaign materials, and advertising in the amount of \$10,631 (2024) and \$44,583 (2023).

UWLC receives a significant amount of donated services from volunteers who assist in the annual campaign, grant allocation process and special projects. No amounts have been recognized for donated services described above since they did not meet the criteria for recognition.

FUNCTIONAL EXPENSE ALLOCATIONS

Expenses are charged to functional areas based on specific identification when possible. Expenses that cannot be specifically identified to a function are allocated to the functional areas based on factors such as direct relationship of expenses, time spent by employees, and square footage of space used for various programs.

On the Statement of Functional Expenses, *Community Impact* includes coordination of UWLC staff, volunteers, and other resources to conduct activities for the betterment of the community. *Allocations and Agency Relations* include the evaluation of community needs and the distribution of funds to best meet those needs.

COMPENSATED ABSENCES

Employees of UWLC are entitled to paid vacations, sick days, and personal days off depending on job classification, length of service, and other factors. UWLC's policy is to recognize the costs of compensated absences when earned by its employees according to personnel policy.

RETIREMENT PLAN

UWLC provides for eligible staff employees to participate in a 401(k) defined contribution plan. The total employer contributions were approximately \$12,000 in each of the years 2024 and 2023.

ADVERTISING

Advertising is expensed as incurred.

UNITED WAY WORLDWIDE MEMBERSHIP DUES

United Way Worldwide membership is a support payment for which UWLC receives, among other things, the right to use the national brand in charitable endeavors, national advocacy of issues, membership education and training, centralized creation and support for marketing of fundraising campaigns, fostering of relationships with national organizations that support multiple members, establishment and monitoring of compliance with standards of accountability by members, establishment of policies and processes that improve operational efficiencies amongst members, and promotion of concept of local community impact on a national scale.

Annual dues are paid in quarterly installments to United Way Worldwide. These totaled \$18,427 and \$12,513 for the years ended June 30, 2024 and 2023, respectively.

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 and 2023

INCOME TAXES

UWLC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") as a charitable organization whereby only unrelated business income, as defined by Section 509(a) of the Code, is subject to federal income tax. UWLC currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

3. FAIR VALUE MEASUREMENT

UWLC measures certain financial assets and liabilities at fair value on a recurring basis. Fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, UWLC uses a three-level hierarchy established by the FASB that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach and cost approach).

UWLC's assessment requires judgment and considers factors specific to the asset or liability. Financial assets and liabilities are classified in their entirety based on the most stringent level of input that is significant to the fair value measurement.

The following table presents information about UWLC's financial assets and liabilities measured at fair value on a recurring basis as of June 30, based on the level of input utilized to measure fair value.

	2024			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 93,816	\$ -	\$ -	\$ 93,816
Mutual Funds - Equities	2,089,797	-	-	2,089,797
Mutual Funds - Fixed Income	1,171,488	-	-	1,171,488
Exchange Traded - Real Assets	198,536	-	-	198,536
	<u>\$ 3,553,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,553,637</u>
	2023			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 137,772	\$ -	\$ -	\$ 137,772
Mutual Funds - Equities	1,684,981	-	-	1,684,981
Mutual Funds - Fixed Income	862,652	-	-	862,652
Exchange Traded - Real Assets	136,744	-	-	136,744
	<u>\$ 2,822,149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,822,149</u>

4. INVESTMENTS

Investments are composed of the following at June 30:

	2024		2023	
	FAIR VALUE	COST	FAIR VALUE	COST
Cash and Cash Equivalents	\$ 93,816	\$ 93,816	\$ 137,772	\$ 137,772
Real Asset Funds	198,536	186,474	136,744	124,464
Mutual Funds - Equities	2,089,797	1,893,388	1,684,981	1,381,719
Mutual Funds - Fixed Income	1,171,488	1,175,813	862,652	950,131
	<u>\$ 3,553,637</u>	<u>\$ 3,349,491</u>	<u>\$ 2,822,149</u>	<u>\$ 2,594,086</u>

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 and 2023

Net investment income for the years ended June 30 consist of the following:

	2024	2023
Unrealized Gain	\$ 266,668	\$ 150,076
Investment Income, Net	96,364	87,179
	<u>\$ 363,032</u>	<u>\$ 237,255</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2024	2023
Land and Improvements	\$ 200,500	\$ 200,500
Building and Improvements	897,150	880,263
Office Furniture and Equipmen	42,075	77,850
	1,139,725	1,158,613
Accumulated Depreciation	(781,691)	(793,324)
	<u>\$ 358,034</u>	<u>\$ 365,289</u>

6. BOARD-DESIGNATED NET ASSETS

Board-designated net assets are comprised of the following two funds as described below:

Stability Fund

Consistent with the Board-approved reserve policy, the Stability Fund is maintained to ensure UWLC's capacity to cover current-year projected grant allocations and six months of operating expenditures. The Board periodically transfers any amounts from UWLC's operating checking account that exceed current operating needs into the Stability Fund.

Impact Fund

The Impact Fund is designed to generate income for direct community impact needs. Each year, a Board-approved portion of the Impact Fund's balance (currently 5%) to be used at the discretion of the President/CEO to address new or emerging needs in the subsequent year that fall outside the standard allocations process. The Board periodically transfers to the Impact Fund any amounts from UWLC's operating checking account that exceed current operating needs, once the Stability Fund is fully funded.

Neither fund is classified as an endowment-type fund.

Combined changes in board-designated net assets are as follows:

Board-Designated Net Assets - July 1, 2022	\$ 455,024
Board Designation of Net Assets	2,246,523
Investment Return	120,602
Fund Expenditures	-
	<hr/>
Board-Designated Net Assets - June 30, 2023	2,822,149
Board Designation of Net Assets	427,932
Investment Return	363,032
Fund Expenditures	(59,476)
	<hr/>
Board-Designated Net Assets - June 30, 2024	<u>\$ 3,553,637</u>

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 and 2023

7. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, net assets with donor restrictions were as follows:

	2024			
	BEGINNING NET ASSETS WITH DONOR RESTRICTIONS	CONTRIBUTIONS/ INCOME	NET ASSETS RELEASED FROM RESTRICTION	ENDING NET ASSETS WITH DONOR RESTRICTIONS
Emerging Leaders	\$ 32,399	\$ 58,198	\$ (51,506)	\$ 39,091
Feed Lake County	153,362	92,022	(83,167)	162,217
Women United	16,013	127,853	(115,388)	28,478
	<u>\$ 201,774</u>	<u>\$ 278,073</u>	<u>\$ (250,061)</u>	<u>\$ 229,786</u>

	2023			
	BEGINNING NET ASSETS WITH DONOR RESTRICTIONS	CONTRIBUTIONS/ INCOME	NET ASSETS RELEASED FROM RESTRICTION	ENDING NET ASSETS WITH DONOR RESTRICTIONS
Emerging Leaders	\$ 21,098	\$ 62,070	\$ (50,769)	\$ 32,399
Feed Lake County	120,565	79,336	(46,539)	153,362
Women United	21,043	72,133	(77,163)	16,013
	<u>\$ 162,706</u>	<u>\$ 213,539</u>	<u>\$ (174,471)</u>	<u>\$ 201,774</u>

8. CAMPAIGN REVENUE

Gross revenues earned by campaign year are as follows:

	2024	2023
Campaign Year:		
2024	\$ 143,827	\$ -
2023	1,670,393	66,827
2022	7,601	1,589,259
Prior Periods	-	9,771
	<u>\$ 1,821,821</u>	<u>\$ 1,665,857</u>

9. LEASE INCOME

UWLC leases the use office space to two local organizations. Rental income is reported as earned over the term of the operating lease. Rental income amounted to \$21,000 (2024) and \$15,000 (2023).

UNITED WAY OF LAKE COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 and 2023

10. AVAILABILITY AND LIQUIDITY

The following represents UWLC's financial assets available to meet general expenditures over the next twelve months:

	2024	2023
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 282,665	\$ 307,766
Pledges Receivable, Net	329,043	361,243
Investments	3,553,637	2,822,149
Total Financial Assets	4,165,345	3,491,158
Less Amounts not Available to be Used Within One Year:		
Net Assets with Donor Restrictions - Cash	(229,786)	(201,774)
Board Reserve Funds	(3,294,838)	(2,738,972)
	(3,524,624)	(2,940,746)
Financial Assets Available to meet General Expenditures Over the Next Twelve Months	\$ 640,721	\$ 550,412

As part of UWLC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, future planned program funding allocations and other obligations come due. Additionally, there are two funds established by the governing board that may be drawn upon the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. See Footnote 6.

11. SUBSEQUENT EVENTS

In preparing these financial statements, UWLC has evaluated events and transactions for potential recognition or disclosure through _____, 2025, the date the financial statements were available to be issued.

UNITED WAY OF LAKE COUNTY, INC.

SCHEDULES OF FUNDS AWARDED TO MEMBER AGENCIES AND OTHERS

FOR THE YEARS ENDED JUNE 30

	Community Impact	Emerging Leaders	Women United	Feed Lake County	Responsive Fund	2024	2023
Birthright Lake, Inc.		\$ -	\$ 12,000	\$ 10,700	\$ 10,000	\$ 32,700	\$ 12,700
Caley Home	-	-	-		-	-	1,148
Catholic Charities Corporation	15,000	-	-		-	15,000	15,000
Cleveland Rape Crisis Center	18,000	-	12,000		-	30,000	27,000
Crossroads Health	80,000	-	-		9,427	90,927	74,020
Ecumenical Shelter Network of Lake County ("Project Hope")	75,700	-	-	4,300	-	80,000	75,480
Family Pride of Northeast Ohio	25,000	-	-		-	25,000	-
Fine Arts Association	3,000	-	12,000		-	15,000	17,900
Forbes House	88,000	-	12,000		129	101,629	98,116
Harvey Athletic Club	-	-	-		6,050	6,050	-
Hospice of the Western Reserve, Inc.	20,000	-	-		-	20,000	20,000
Kidney Foundation of Ohio, Lake County Chapter	15,000	-	-		-	15,000	15,000
Lake County Captains Charities	-	-	-		-	-	4,500
Lake County Council on Aging	-	-	-		-	-	50,000
Lake County Free Clinic	135,000	-	-		-	135,000	132,000
Lake County YMCA	57,500	-	12,000		-	69,500	53,000
Lake County Habitat for Humanity	30,000	-	-		-	30,000	-
Lake Health District Fund	-	-	-		-	-	-
Lake-Geauga Recovery Center, Inc.	38,000	-	12,000		1,400	51,400	41,336
Lakeland Foundation	-	-	-		9,427	9,427	-
LGBTQ+ Allies Lake County	23,700	-	-		-	23,700	-
Lifeline, Inc.	73,000	10,000	12,000		736	95,736	82,000
Madison Athletic Service Group	-	-	-		-	-	3,100
NAMI Lake County	16,600	10,000	-		-	28,600	26,600
Salvation Army Corps Community Center	52,000	-	12,000	10,000	20,000	94,000	79,000
Salvation Army Service Units	24,000	-	-		-	24,000	24,000
Signature Health	20,000	-	-		-	20,000	-
Starting Point	17,500	-	-		-	17,500	15,800
Torchlight Youth Mentoring Alliance	5,000	10,000	-		-	15,000	15,000
Wickliffe City School District (Family Resource Center)	17,000	-	-		-	17,000	20,000
Total Agency Allocations	\$ 849,000	\$ 30,000	\$ 96,000	\$ 25,000	\$ 57,169	\$ 1,062,169	902,700
Committed Allocation Funding Unpaid Due to Outstanding Matters						-	(11,625)
Total Awarded Funds						\$ 1,062,169	\$ 891,075