AUDITED FINANCIAL STATEMENTS

UNITED WAY OF GREATER STARK COUNTY, INC.

March 31, 2023 and 2022

HALL, KISTLER & COMPANY LLP
CONSULTANTS AND CERTIFIED PUBLIC ACCOUNTANTS
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CONTENTS

INDEPENDENT AUDITOR'S REPORT	PAGE 3
STATEMENTS OF FINANCIAL POSITION	5
STATEMENTS OF ACTIVITIES	7-8
STATEMENTS OF FUNCTIONAL EXPENSES	9-10
STATEMENTS OF CASH FLOWS	11
NOTES TO FINANCIAL STATEMENTS	12-25

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
United Way of Greater Stark County, Inc.
Canton, Ohio

Opinion

We have audited the accompanying statements of United Way of Greater Stark County (United Way) (a nonprofit organization) which comprise the statements of financial position as of March 31, 2023 and 2022 and the related statements of activities, cash flows, and functional expenses 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 United Way as of March 31, 2023 and 2022 and the changes in its net assets and its cash flows for the years then ended, in conformity 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way 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: this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. 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'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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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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way'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.

Hall, Kistler & Company LLP

Certified Public Accountants

Canton, Ohio
July 19, 2023

STATEMENTS OF FINANCIAL POSITION

UNITED WAY OF GREATER STARK COUNTY, INC.

March 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,510,028	$ 788,869
Pledges receivable, net	2,007,059	2,254,859
Receivables, grants and strategic investment	191,827	4,800
Receivables, community services and assistance	115,416	81,121
Receivables, centennial campaign, current	200,000	252,500
Accrued investment receivable	19,559	14,800
Loans and advances, net	-	21,634
Prepaid expenses	20,740	21,015
TOTAL CURRENT ASSETS	4,064,629	3,439,598
NONCURRENT ASSETS		
Investments, at fair value	11,517,554	12,896,571
Receivables, centennial campaign, net of current portion	767,000	-
Right of use asset	200,890	-
Equipment and improvements:		
Leasehold improvements	240,462	240,462
Furniture and equipment	408,962	381,320
Accumulated depreciation	(572,065)	(535,928)
Equipment and improvements, net	77,359	85,854
TOTAL NONCURRENT ASSETS	12,562,803	12,982,425
TOTAL ASSETS	$ 16,627,432	$ 16,422,023

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	2023	2022
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 117,673	$ 219,314
Accounts payable, other	101,216	77,115
Accrued payroll and paid time off	51,900	66,200
Allocations payable	53,750	66,475
Deferred revenue, grants	410,102	-
Deferred revenue, impact and allocations	18,990	26,610
Designations payable	354,702	460,141
Right of use liability	149,947	-
TOTAL CURRENT LIABILITIES	1,258,280	915,855
NONCURRENT LIABILITIES		
Right of use liability, net of current portion	50,943	-
TOTAL LIABILITIES	1,309,223	915,855
NET ASSETS		
Without donor restrictions:		
Undesignated	4,927,727	3,634,709
Designated by the board, unrealized gains - Note F	2,292,707	3,223,220
Designated by the board, operating reserves - Note F	1,495,000	1,490,000
Total without donor restrictions	8,715,434	8,347,929
With donor restrictions - Note G	6,602,775	7,158,239
Total with donor restrictions	6,602,775	7,158,239
TOTAL NET ASSETS	15,318,209	15,506,168
TOTAL LIABILITIES AND NET ASSETS	$ 16,627,432	$ 16,422,023

STATEMENT OF ACTIVITIES

UNITED WAY OF GREATER STARK COUNTY, INC.

Year Ended March 31, 2023

	Without Donor Restrictions	With Donor Restrictions	TOTAL
PUBLIC SUPPORT & REVENUE			
Gross campaign pledges processed	$ -	$ 4,914,701	$ 4,914,701
Designations paid direct	-	21,381	21,381
Total gross campaign results	-	4,936,082	4,936,082
Less:			
Donor designations	117,627	(354,702)	(237,075)
Donor designations paid direct	-	(21,381)	(21,381)
Provision for uncollectible	33,065	(122,868)	(89,803)
Total campaign contributions, net	150,692	4,437,131	4,587,823
Program fees and grants	480,464	-	480,464
In-kind contributions	26,914	-	26,914
Centennial campaign contributions	1,028,730	-	1,028,730
Other contributions	25,754	-	25,754
Contributions released from restriction	4,909,567	(4,909,567)	-
Total public support and revenue	6,622,121	(472,436)	6,149,685
ALLOCATIONS AND FUNCTIONAL EXPENSES			
Community funding, agency allocations	3,046,042	37,423	3,083,465
Functional expenses:			
Program services :			
Community impact volunteers	150,553	-	150,553
Community impact and allocations	451,816	-	451,816
Community services and assistance	966,021	-	966,021
Strategic investment initiatives	171,028	-	171,028
Total program services	1,739,418	-	1,739,418
Support services:			
Management and general	297,411	-	297,411
Resource development and fundraising	682,016	-	682,016
Total support services	979,427	-	979,427
Total functional expenses	2,718,845	-	2,718,845
Total allocations and functional expenses	5,764,887	37,423	5,802,310
OTHER INCOME (EXPENSE)			
Investment Income, net	128,477	10,142	138,619
Net gain (loss) on assets reported at fair value	(631,000)	(55,747)	(686,747)
Miscellaneous income	12,794	-	12,794
Total other expense	(489,729)	(45,605)	(535,334)
CHANGE IN NET ASSETS	367,505	(555,464)	(187,959)
NET ASSETS, BEGINNING OF THE YEAR	8,347,929	7,158,239	15,506,168
NET ASSETS, END OF THE YEAR	$ 8,715,434	$ 6,602,775	$ 15,318,209

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ACTIVITIES

UNITED WAY OF GREATER STARK COUNTY, INC.

Year Ended March 31, 2022

	Without Donor Restrictions	With Donor Restrictions	TOTAL
PUBLIC SUPPORT & REVENUE			
Gross campaign pledges processed	$ -	$ 5,320,611	$ 5,320,611
Designations paid direct	-	29,091	29,091
Total gross campaign results	-	5,349,702	5,349,702
Less:			
Donor designations	134,518	(460,141)	(325,623)
Donor designations paid direct	-	(29,091)	(29,091)
Provision for uncollectible	51,410	(159,618)	(108,208)
Total campaign contributions, net	185,928	4,700,852	4,886,780
Program fees and grants	323,345	-	323,345
In-kind contributions	85,295	-	85,295
Centennial campaign contributions	609,399	-	609,399
Other contributions	45,905	-	45,905
Contributions released from restriction	4,691,184	(4,691,184)	-
Total public support and revenue	5,941,056	9,668	5,950,724
ALLOCATIONS AND FUNCTIONAL EXPENSES			
Community funding, agency allocations	3,277,594	5,262	3,282,856
Functional expenses:			
Program services:			
Community impact volunteers	181,514	-	181,514
Community impact and allocations	661,449	-	661,449
Community services and assistance	854,386	-	854,386
Strategic investment initiatives	-	-	-
Total program services	1,697,349	-	1,697,349
Support services:			
Management and general	419,494	-	419,494
Resource development and fundraising	764,521	-	764,521
Total support services	1,184,015	-	1,184,015
Total functional expenses	2,881,364	-	2,881,364
Total allocations and functional expenses	6,158,958	5,262	6,164,220
OTHER INCOME (EXPENSE)			
Investment Income, net	98,786	3,044	101,830
Net gain (loss) on assets reported at fair value	521,931	101,226	623,157
Miscellaneous income	18,047	-	18,047
Loan (loss)	(2,557)	-	(2,557)
Total other expense	636,207	104,270	740,477
CHANGE IN NET ASSETS	418,305	108,676	526,981
NET ASSETS, BEGINNING OF THE YEAR	7,929,624	7,049,563	14,979,187
NET ASSETS, END OF THE YEAR	$ 8,347,929	$ 7,158,239	$ 15,506,168

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

UNITED WAY OF GREATER STARK COUNTY, INC.

Year Ended March 31, 2023

	PROGRAM SERVICES						SUPPORTING SERVICES			
	ALLOCATION SERVICES	COMMUNITY IMPACT VOLUNTEERS	COMMUNITY IMPACT AND ALLOCATIONS	COMMUNITY SERVICES AND ASSISTANCE	STRATEGIC INVESTMENT INITIATIVES	TOTAL	MANAGEMENT AND ADMINISTRATION	RESOURCE DEVELOPMENT AND FUNDRAISING	TOTAL	GRAND TOTAL
Salaries	$ -	$ 90,178	$ 232,774	$ 346,271	$ -	$ 669,223	$ 164,492	$ 392,623	$ 557,115	$ 1,226,338
Employee benefits	-	7,687	22,290	33,105	-	63,082	18,031	32,386	50,417	113,499
Payroll taxes	-	7,603	17,628	34,440	-	59,671	11,225	37,857	49,082	108,753
TOTAL SALARIES AND RELATED EXPENSES	-	105,468	272,692	413,816	-	791,976	193,748	462,866	656,614	1,448,590
Allocations to agencies	3,046,042	-	-	-	-	3,046,042	-	-	-	3,046,042
Agency pass through grant	37,423	-	34,999	-	171,028	243,450	-	-	-	243,450
Professional fees	-	8,725	29,376	204,900	-	243,001	40,244	44,731	84,975	327,976
Supplies	-	442	1,155	6,843	-	8,440	8,407	3,361	11,768	20,208
Telephone	-	1,089	1,374	6,184	-	8,647	762	1,657	2,419	11,066
Postage and shipping	-	-	1	3,574	-	3,575	1,106	5,139	6,245	9,820
Occupancy	-	15,617	49,730	70,107	-	135,454	24,685	65,684	90,369	225,823
Repairs and maintenance	-	1,954	12,355	21,678	-	35,987	3,839	20,598	24,437	60,424
Printing and publications	-	3,844	2,289	17,553	-	23,686	3,463	26,630	30,093	53,779
Travel	-	478	784	4,587	-	5,849	205	3,673	3,878	9,727
Conferences and meetings	-	5,494	2,945	6,210	-	14,649	1,235	13,762	14,997	29,646
Specific assistance to individuals	-	-	-	164,673	-	164,673	-	-	-	164,673
Payments made to affiliated organizations	-	4,633	15,471	20,133	-	40,237	7,691	18,702	26,393	66,630
Membership dues	-	289	632	1,073	-	1,994	1,324	1,055	2,379	4,373
Insurance	-	-	-	-	-	-	5,966	-	5,966	5,966
Miscellaneous	-	12	20,027	13,560	-	33,599	772	3,609	4,381	37,980
TOTAL EXPENSES BEFORE DEPRECIATION	3,083,465	148,045	443,830	954,891	171,028	4,801,259	293,447	671,467	964,914	5,766,173
Depreciation	-	2,508	7,986	11,130	-	21,624	3,964	10,549	14,513	36,137
TOTAL FUNCTIONAL EXPENSES	$ 3,083,465	$ 150,553	$ 451,816	$ 966,021	$ 171,028	$ 4,822,883	$ 297,411	$ 682,016	$ 979,427	$ 5,802,310

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

UNITED WAY OF GREATER STARK COUNTY, INC.

Year Ended March 31, 2022

	PROGRAM SERVICES						SUPPORTING SERVICES			
	ALLOCATION SERVICES	COMMUNITY IMPACT VOLUNTEERS	COMMUNITY IMPACT AND ALLOCATIONS	COMMUNITY SERVICES AND ASSISTANCE	STRATEGIC INVESTMENT INITIATIVES	TOTAL	MANAGEMENT AND ADMINISTRATION	RESOURCE DEVELOPMENT AND FUNDRAISING	TOTAL	GRAND TOTAL
Salaries	$ -	$ 105,224	$ 406,993	$ 298,939	$ -	$ 811,156	$ 175,482	$ 457,490	$ 632,972	$ 1,444,128
Employee benefits	-	13,365	39,460	36,960	-	89,785	16,558	36,552	53,110	142,895
Payroll taxes	-	8,203	31,105	23,971	-	63,279	12,542	33,895	46,437	109,716
TOTAL SALARIES AND RELATED EXPENSES	-	126,792	477,558	359,870	-	964,220	204,582	527,937	732,519	1,696,739
Allocations to agencies	3,277,594	-	-	-	-	3,277,594	-	-	-	3,277,594
Agency pass through grant	5,262	-	14,007	-	-	19,269	100,000	-	-	19,269
Professional fees	-	9,480	32,457	250,736	-	292,673	39,644	44,428	84,072	376,745
Supplies	-	353	1,502	3,808	-	5,663	966	2,192	3,158	8,821
Telephone	-	976	3,139	4,555	-	8,670	1,565	6,512	8,077	16,747
Postage and shipping	-	-	139	334	-	473	1,773	3,486	5,259	5,732
Occupancy	-	14,809	50,930	63,317	-	129,056	25,348	58,069	83,417	212,473
Repairs and maintenance	-	3,162	15,717	15,537	-	34,416	5,584	25,625	31,209	65,625
Printing and publications	-	10,157	7,626	26,036	-	43,819	1,917	53,258	55,175	98,994
Travel	-	318	1,721	1,203	-	3,242	223	2,730	2,953	6,195
Conferences and meetings	-	5,687	5,033	6,905	-	17,625	1,474	3,673	5,147	22,772
Specific assistance to individuals	-	-	-	71,870	-	71,870	-	-	-	71,870
Payments made to affiliated organizations	-	6,907	22,667	28,799	-	58,373	11,887	25,577	37,464	95,837
Membership dues	-	367	1,614	592	-	2,573	842	1,152	1,994	4,567
Insurance	-	-	-	-	-	-	13,608	-	13,608	13,608
Miscellaneous	-	81	18,998	10,454	-	29,533	5,930	372	6,302	35,835
TOTAL EXPENSES BEFORE DEPRECIATION	3,282,856	179,089	653,108	844,016	-	4,959,069	415,343	755,011	1,170,354	6,129,423
Depreciation	-	2,425	8,341	10,370	-	21,136	4,151	9,510	13,661	34,797
TOTAL FUNCTIONAL EXPENSES	$ 3,282,856	$ 181,514	$ 661,449	$ 854,386	$ -	$ 4,980,205	$ 419,494	$ 764,521	$ 1,184,015	$ 6,164,220

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

UNITED WAY OF GREATER STARK COUNTY, INC.

Years Ended March 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (187,959)	$ 526,981
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	36,137	34,797
Loss (gain) on investments reported at fair value	686,747	(623,157)
(Gain) on forgiveness of PPP loan	-	(254,905)
Noncash lease expense	141,459	-
Decrease (increase) in assets:		
Accrued investment income	(4,759)	4,747
Pledges receivable	247,800	209,790
Other receivables	(935,822)	89,263
Prepaid expenses	275	(400)
(Decrease) increase in liabilities:		
Accounts payable	(101,641)	159,745
Accrued payroll and withholding taxes	(14,300)	(50,404)
Allocations payable	(12,725)	9,050
Designations payable	(105,439)	27,312
Miscellaneous payable	24,101	23,878
Deferred revenue	402,482	3,994
Lease liabilities	(141,459)	-
Total adjustments	222,856	(366,290)
Cash provided by operating activities	34,897	160,691
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	1,710,972	1,556,742
Purchase of investments	(1,018,702)	(1,644,527)
Repayment of loan receivables	21,634	33,693
Purchase of equipment	(27,642)	(8,913)
Cash provided by (used in) investing activities	686,262	(63,005)
NET INCREASE IN CASH AND CASH EQUIVALENTS	721,159	97,686
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	788,869	691,183
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,510,028	$ 788,869
NON-CASH ITEMS:		
Right to use assets acquired	$ (342,349)	$ -
Lease liabilities incurred	342,349	-

The accompanying notes are an integral part of these financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The United Way of Greater Stark County, Inc. (United Way) serves all of Stark and Carroll Counties. United Way recruits' volunteers and raises funds to provide support to the community through a wide variety of programs and agencies to address human needs with measurable results.

Basis of Accounting

The financial statements of United Way have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, other assets, payables and other liabilities.

Basis of Presentation

United Way reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions, and net assets without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

Cash equivalents consist of money market instruments and certificates of deposit purchased with original maturities of three months or less. The basis of cash equivalents approximates market value.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, based on quoted prices in active markets (Level 1 measurements). United Way's investment in the Stark Community Foundation Pooled Account (Level 3 measurement) is reported at fair value, based on reports by investment managers and the audited statements of the funds within the investment pool. United Way believes this method provides a reasonable estimate of fair value. Interest and dividend income, net of applicable management fees, and net realized and unrealized gains or losses on fair value of investments are included in the statement of activities and reported as increases or decreases within the appropriate class of net assets.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk

United Way's receivables are primarily from individuals and businesses in the greater Stark and Carroll Counties of Ohio.

At March 31, 2023 and 2022, cash and cash equivalent balances as confirmed by the banks were in excess of Federally insured limits. United Way believes that no significant credit risk exists on its cash and cash equivalent balances.

Contributions

Contributions received are recorded as net assets with donor restrictions, or net assets without donor restrictions, depending on the existence or nature of any donor restrictions.

Support that is restricted by donors is reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Pledges are recorded in the statement of financial position as they are received, and an allowance is computed using historical averages adjusted by management estimates of current economic conditions applied to gross campaign (see Note C).

Functional Allocation of Expenses

Costs of providing various programs have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

United Way is exempt from Federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3).

Uncertain Tax Positions. The United Way adopted the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. The provisions prescribe a two-step process for recognizing and measuring income tax uncertainties. First, a threshold condition of "more likely than not" should be met to determine whether any of the benefit from an uncertain tax position should be recognized in the financial statements. If the recognition threshold is met, FASB ASC 740-10 provides additional guidance on measuring the amount of the uncertain tax position. The United Way may recognize a tax benefit from an uncertain tax position under FASB ASC 740-10 only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefit recognized in the financial statements from an uncertain position should be measured under FASB ASC 740-10 based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. FASB ASC 740-10 also provides guidance on derecognition, classification, transition and increased disclosure of uncertain tax positions. The United Way recognized no liability for unrecognized tax benefits resulting from the adoption of FASB ASC 740-10 or as of March 31, 2023 and 2022.

Donor Designations

Donor designations deducted from current year campaign contributions on the statement of activities consist of all pledges designated to external entities/agencies/programs over which the United Way exercises/retains no discretion as to the use due to donor instruction, contractual agreement between the organizations as to the distribution of pledges across services and boundaries, or other circumstances that remove the United Way's discretion as to use.

Leases

Effective April 1, 2022, the Company adopted FASB ASC 842. The Company assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset.

Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for those leases on a straight-line basis over the lease term. Operating leases with a term longer than 12 months are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities on the statement of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the statement of financial position.

ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments. The Company uses the implicit rate when determinable; for instances where the implicit rate is not determinable, management uses the Company's incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also include any lease payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company's lease term may include options to extend or terminate the lease when it is reasonably certain that will occur.

Reclassifications

Certain reclassifications have been made to the 2022 financial statement presentation to correspond to the current year's format.

NOTE B - INVESTMENTS

Investments stated at fair value at March 31, 2023 are summarized as follows:

Asset Category	Fair Value at March 31, 2023	Level 1	Level 2	Level 3
U.S. Government and Agency Bonds	$ 3,375,093	$3,375,093	$ -	$ -
Mutual Funds:				
Fixed Income	98,233	98,233	-	-
Equity	778,050	778,050	-	-
Marketable Equity Securities	2,331,300	2,331,300	-	-
Investment in Stark Community Foundation Pooled Account	4,934,878	-	-	4,934,878
	$ 11,517,554	$6,582,676	$ -	$4,934,878

Investments stated at fair value at March 31, 2022 are summarized as follows:

Asset Category	Fair Value at March 31, 2022	Level 1	Level 2	Level 3
U.S. Government and Agency Bonds	$ 3,865,342	$ 3,865,342	$ -	$ -
Mutual Funds:				
Fixed Income	110,992	110,992	-	-
Equity	998,960	998,960	-	-
Marketable Equity Securities	2,453,937	2,453,937	-	-
Investment in Stark Community Foundation Pooled Account	5,467,340	-	-	5,467,340
	$ 12,896,571	$ 7,429,231	$ -	$5,467,340

FASB ASC 820-10, *Fair Value Measurements*, established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the measurement in its entirety.

NOTE B - INVESTMENTS (CONTINUED)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. A quoted price in an active market provides the most reliable evidence of fair value. The United Way's investments in U.S. government and agency bonds, mutual funds and marketable equity securities are Level 1 inputs.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. The United Way had no Level 2 inputs.

Level 3 inputs are unobservable inputs for the asset or liability, that is, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances. The United Way's investment in the Stark Community Foundation Pooled Account is a Level 3 input. Management relies on the Stark Community Foundation for an estimate of the value of their investment in the Foundation's pooled account. The Foundation generally uses available market data and other estimates of future cash flow in order to value the pooled account.

Fair Value Measurements Using Significant Unobservable Inputs (Level 3) at March 31, 2023:

Beginning Balance	$ 5,467,340
Transfer into Level 3 as donation revenue	41,994
Total gains or losses for the period	(231,841)
Total other earned income	69,883
Total disbursements	(412,498)
Ending Balance	$ 4,934,878

NOTE B - INVESTMENTS (CONTINUED)

Fair Value Measurements Using Significant Unobservable Inputs (Level 3) at March 31, 2022:

Beginning Balance	$ 5,091,758
Transfer into Level 3 as donation revenue	130,400
Total gains or losses for the period	400,988
Total other earned income	44,367
Total disbursements	(200,173)
Ending Balance	$ 5,467,340

NOTE C - PLEDGES RECEIVABLE

Pledges receivable and related information at March 31, 2023 and 2022 are summarized as follows:

	PLEDGE YEAR 2023		
	CURRENT	PRIOR	TOTAL
Gross pledges	$ 4,914,701	$ 5,328,137	$ 10,242,838
Collections to date	(2,798,469)	(5,175,682)	(7,974,151)
Unpaid pledge amount	2,116,232	152,455	2,268,687
Allowance for uncollectible accounts	(122,868)	(138,760)	(261,628)
	$ 1,993,364	$ 13,695	$ 2,007,059

	PLEDGE YEAR 2022		
	CURRENT	PRIOR	TOTAL
Gross pledges	$ 5,320,612	$ 5,275,690	$ 10,596,302
Collections to date	(2,906,135)	(5,180,918)	(8,087,053)
Unpaid pledge amount	2,414,477	94,772	2,509,249
Allowance for uncollectible accounts	(159,618)	(94,772)	(254,390)
	$ 2,254,859	$ -	$ 2,254,859

NOTE D - LOANS RECEIVABLE

Loans receivable represented funds advanced to agencies to cover their respective portion of termination liabilities related to a defined benefit pension plan that United Way formerly participated in. Loans were stated at unpaid balances, less any applicable allowance for loan loss. The loans were collateralized by future allocations from the United Way. There were no outstanding loans at March 31, 2023. At March 31 2022, future allocations to the agencies were sufficient to cover 100% of the outstanding principal balance, respectively, and as such no allowance has been recorded. Repayment terms are 10 years and interest was charged at a rate of 1% for the first five years and 4% for the remaining term. Interest on loans was recognized over the term of the loan and was calculated using the interest method on principal amounts outstanding. The loans had an outstanding principal balance of $0 and $21,634 as of March 31, 2023 and 2022, respectively.

Interest received was $407 and $1,650 for the years ended March 31, 2023 and 2022, respectively.

NOTE E - EQUIPMENT AND IMPROVEMENTS

Equipment and improvements are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which generally range from 3 to 15 years. Provision for depreciation amounted to $36,137 and $34,797 for the years ended March 31, 2023 and 2022, respectively.

Equipment and improvements are summarized as follows at March 31, 2023 and 2022:

	2023	2022
Office equipment	$ 408,962	$ 381,320
Leasehold improvements	240,462	240,462
	649,424	621,782
Accumulated depreciation	(572,065)	(535,928)
	$ 77,359	$ 85,854

NOTE F - APPROPRIATED NET ASSETS WITHOUT DONOR RESTRICTIONS

By action of the Board of Trustees, certain net assets without donor restrictions have been appropriated for specific purposes. The following schedule summarizes, by purpose, the composition of these net assets at March 31, 2023 and 2022:

	2023	2022
APPROPRIATED FOR		
Operating reserves	$ 1,495,000	$ 1,490,000
Accumulated increase on investments reported at fair value	2,292,707	3,223,220
	$ 3,787,707	$ 4,713,220

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
Campaign revenue for future allocation period	$ 3,945,373	$ 5,209,096
CARE Team	483,234	566,524
Strategic Investment	874,576	-
Alvarez Subfund	28,706	29,661
Capital Improvements Subfund	1,270,886	1,352,958
	$ 6,602,775	$ 7,158,239

Net assets released from restrictions of $4,909,567 for the year ended March 31, 2023 and $4,691,184 for the year ended March 31, 2022 resulted from incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors.

NOTE H - PENSION PLAN

Thrift Plan

United Way adopted a contributory tax deferred nonparticipating annuity plan under rules provided under Internal Revenue Code Section 403(b). The Organization makes a matching contribution of 3% of an employees' salary. Elective deferrals may be made by employees. Expenses reported in the financial statements for this plan amounted to $25,279 and $32,489 for the years ended March 31, 2023 and 2022, respectively.

NOTE I - LEASING ACTIVITIES

The Organization leases its office space under an operating lease agreement. The lease has remaining lease terms as defined in the below tables.

As disclosed in Note A, the Organization elected to adopted FASB ASC 842 effective April 1, 2022 and utilized all of the available practical expedients. The adoption had a material impact on the Organization's statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for the operating leases. The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less.

The following summarizes the line items in the statement of financial position which include amounts for operating leases as of March 31:

	2023
Operating Leases:	
Operating lease right-of-use-assets	$ 200,890
Other current liabilities	$ 149,947
Operating lease liabilities	50,943
Total operating lease liabilities	$ 200,890

The following summarizes the weighted average remaining lease term and discount rate as of March 31:

	2023
Remaining Lease Term Range	
Operating leases	16 months
Discount Rate Range	
Operating leases	6.00%

NOTE I - LEASING ACTIVITIES (CONTINUED)

The maturities of lease liabilities as of March 31, 2023 were as follows:

Year ended March 31:	Operating
2024	$ 162,000
2025	54,000
Total lease payments	216,000
Less interest	(15,110)
Present value of lease liabilities	$ 200,890

The following summarizes the line items in the income statements which include the components of lease expense for the year ended March 31:

	2023
Operating lease expense included in program services	$ 97,200
Operating lease expense included in supporting services	$ 64,800

The following summarizes cash flow information related to leases for the year ended March 31:

	2023
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flow from operating leases	$ 162,000
Lease assets obtained in exchange for lease obligations:	
Operating leases	$ 342,349

NOTE I - LEASING ACTIVITIES (CONTINUED)

Prior to the adoption of ASC 842, the Organization recorded amounts paid against the operating lease as recorded above and included in rent expense a total of $162,000 for the year ended March 31, 2023.

Rent expense charged to operations was $225,823 and $212,473 for the years ended March 31, 2023 and 2022, respectively.

The Organization enters into various lease arrangements for miscellaneous pieces of office equipment in the normal course of business with various payment terms and cancellation dates. The lease arrangements are not significant to the Organization's financial statements.

NOTE J - PAYMENTS MADE TO AFFILIATE ORGANIZATIONS

The United Way had the following payments made to affiliated organizations as of March 31:

	2023	2022
United Way Worldwide	$ 66,630	$ 95,836
Ohio United Way	1,000	500
	$ 67,630	$ 96,336

NOTE K - DONATED SERVICES

The United Way records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals processing those skills, and would typically need to be purchased if not provided by donation. For the years ended March 31, 2023 and 2022 $26,914 and $85,295, respectively, were reflected in the accompanying financial statements, for contributed professional and advertising services, as in-kind contributions and were offset by like amounts included in expenses.

NOTE K - DONATED SERVICES (CONTINUED)

In addition, many individuals volunteer their time and perform a variety of tasks that assist United Way with specific assistance programs, campaign solicitations, and various committee assignments. United Way receives thousands of volunteer hours per year. However, no amounts have been reflected in the financial statements for these donated services since they do not meet the criteria for recording in the financial statements. United Way management estimates that the fair value of donated services received but not recognized as revenues was $249,982 and $364,924 for the years ended March 31, 2023 and 2022, respectively.

NOTE L - RELATED PARTY TRANSACTIONS

For the year ended March 31, 2023 and 2022, the United Way paid $84,429 and $113,230, respectively, to a company owned by a member of the board of directors for development of an annual comprehensive marketing plan including website design and maintenance, search marketing, digital advertising, annual campaign messaging, marketing and campaign videos and brand strategy.

NOTE M - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the United Way's liquidity management plan, cash in excess of daily requirements is invested (see Note B). The Board of Trustees directs all bequests to net assets without donor restrictions if they are not restricted by the decedent as to use. These funds may be drawn upon, if necessary, to meet unexpected liquidity needs or in the event of financial distress. Available assets comprise the following at March 31, 2023:

Cash and cash equivalents	$ 1,510,028
Investments	11,517,554
Pledges receivable, net	2,007,059
Grants and other receivables	507,243
Financial Assets, at year end	15,541,884
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Subject to appropriation and satisfaction of donor restrictions	(6,602,775)
Financial assets available to meet cash needs for general expenditures within one year	$ 8,939,109

NOTE N - SUBSEQUENT EVENTS

The United Way has evaluated subsequent events through July 19, 2023, the date which the financial statements were available to be issued.