

**Orrville United Way  
(Non-Profit)**

**Financial Report  
(Audit)**

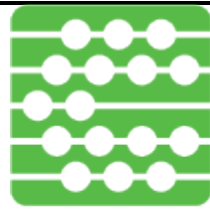
**December 31, 2023 and 2022**

# Orrville United Way

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### Independent Auditor's Report

To the Board of Directors  
Orrville United Way  
Orrville, Ohio

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Orrville United Way (a non-profit organization), which comprise the statements of financial position as of December 31, 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 Orrville United Way as of December 31, 2023 and 2022 and the results of its operations 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Orrville United Way and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 Orrville United Way's ability to continue as a going concern for the years ended December 31, 2023 and 2022.

## **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 GAAS 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 are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

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

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Wadsworth, Ohio

September 11, 2024

**Orrville United Way  
Statements of Financial Position  
December 31, 2023 and 2022**

**ASSETS**

	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 455,029	\$ 438,981
Pledges receivable	83,093	73,062
Less: Allowance for doubtful accounts	(15,000)	(15,000)
<b>Total Current Assets</b>	<b>523,122</b>	<b>497,043</b>
 <b>PROPERTY, PLANT AND EQUIPMENT</b>		
Furniture	10,791	8,817
Equipment	3,340	7,440
	14,131	16,257
Less: Accumulated depreciation	(2,926)	(5,346)
<b>Net Property, Plant, and Equipment</b>	<b>11,205</b>	<b>10,911</b>
 <b>OTHER NON-CURRENT ASSETS</b>		
Right of use asset - operating, net of accumulated amortization	5,466	13,234
Website, net of accumulated amortization	1,188	2,189
<b>Total Other Current Assets</b>	<b>6,654</b>	<b>15,423</b>
 <b>Total Assets</b>	 <b>\$ 540,981</b>	 <b>\$ 523,377</b>

**LIABILITIES AND NET ASSETS**

	<b>2023</b>	<b>2022</b>
<b>CURRENT LIABILITIES</b>		
Designation payable	\$ 6,816	\$ 1,826
Accrued expenses	7,548	6,220
Operating lease obligation - current	5,466	7,768
<b>Total Current Liabilities</b>	<b>19,830</b>	<b>15,814</b>
 <b>LONG-TERM LIABILITIES</b>		
Operating lease obligation	-	5,466
<b>Total Long-Term Liabilities</b>	<b>-</b>	<b>5,466</b>
 <b>Total Liabilities</b>	 <b>19,830</b>	 <b>21,280</b>
 <b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	521,151	498,597
Board designated	-	3,500
<b>Total Net Assets</b>	<b>521,151</b>	<b>502,097</b>
 <b>Total Liabilities and Net Assets</b>	 <b>\$ 540,981</b>	 <b>\$ 523,377</b>

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

**Orrville United Way**  
**Statements of Activities**  
**For the Years Ended December 31, 2023 and 2022**

	<b>Without Donor Restrictions</b>	
	<b>2023</b>	<b>2022</b>
<b>REVENUE</b>		
<b>Direct Public Support:</b>		
Contribution support	\$ 761,337	\$ 697,613
Less: Allowance for uncollectible pledges	(5,519)	565
<b>Total Direct Public Support</b>	<u>755,818</u>	<u>698,178</u>
<b>Miscellaneous Revenue:</b>		
Interest income	1,647	81
Loss on disposal of property, plant and equipment	(195)	-
<b>Total Miscellaneous Revenue</b>	<u>1,452</u>	<u>81</u>
<b>TOTAL REVENUE</b>	757,270	698,259
<b>EXPENSES</b>		
<b>Program Services:</b>		
Grants to partner agencies	519,302	472,902
Community impact activities	79,017	53,315
<b>Support Services:</b>		
Management and general	104,371	88,163
Fundraising	35,526	24,716
<b>TOTAL EXPENSES</b>	<u>738,216</u>	<u>639,096</u>
<b>CHANGE IN NET ASSETS</b>	19,054	59,163
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>502,097</u>	<u>442,934</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 521,151</u>	<u>\$ 502,097</u>

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

**Orrville United Way  
Statements of Functional Expenses  
For the Years Ended December 31, 2023 and 2022**

	December 31, 2023						
	Program Services			Support Services			
	Grants to Partner Agencies	Community Impact Activities	Total Program Services	Management and General	Fundraising	Total Support Services	Total Expenses
Salaries	\$ 15,062	\$ 20,442	\$ 35,504	\$ 55,945	\$ 16,138	\$ 72,083	\$ 107,587
Employee benefits	1,037	1,408	2,445	3,853	1,111	4,964	7,409
Payroll taxes and fringes	1,170	1,588	2,758	4,347	1,254	5,601	8,359
<b>Total Salaries and Related Expenses</b>	<b>17,269</b>	<b>23,438</b>	<b>40,707</b>	<b>64,145</b>	<b>18,503</b>	<b>82,648</b>	<b>123,355</b>
Grants and allocations	493,516	-	493,516	-	-	-	493,516
Other community services	-	44,016	44,016	-	-	-	44,016
Professional fees	1,635	2,219	3,854	6,074	1,752	7,826	11,680
Allowance for uncollectible pledges	5,519	-	5,519	-	-	-	5,519
Membership dues	-	-	-	8,588	-	8,588	8,588
Occupancy	1,176	1,596	2,772	4,368	1,260	5,628	8,400
Supplies	809	1,099	1,908	3,007	867	3,874	5,782
Rental and maintenance of equipment	-	-	-	-	-	-	-
Insurance	256	348	604	951	274	1,225	1,829
Computer and website	597	811	1,408	2,218	640	2,858	4,266
Telephone	-	-	-	-	-	-	-
Depreciation and amortization	348	472	820	1,293	373	1,666	2,486
Miscellaneous	-	-	-	-	7,895	7,895	7,895
Postage and shipping	46	62	108	168	49	217	325
Conference and meetings	59	80	139	219	63	282	421
Printing and publications	513	697	1,210	1,906	550	2,456	3,666
Interest/Bank service charges	20	28	48	75	22	97	145
Advertising	2,613	3,546	6,159	9,706	2,800	12,506	18,665
Travel	424	576	1,000	1,576	455	2,031	3,031
State filing fee	21	29	50	77	23	100	150
	<u>524,821</u>	<u>79,017</u>	<u>603,838</u>	<u>104,371</u>	<u>35,526</u>	<u>139,897</u>	<u>743,735</u>
Less: Allowance for uncollectible pledges included on the statement of activities	(5,519)	-	(5,519)	-	-	-	(5,519)
<b>Total Expense</b>	<b><u>\$ 519,302</u></b>	<b><u>\$ 79,017</u></b>	<b><u>\$ 598,319</u></b>	<b><u>\$ 104,371</u></b>	<b><u>\$ 35,526</u></b>	<b><u>\$ 139,897</u></b>	<b><u>\$ 738,216</u></b>

	December 31, 2022						
	Program Services			Support Services			
	Grants to Partner Agencies	Community Impact Activities	Total Program Services	Management and General	Fundraising	Total Support Services	Total Expenses
Salaries	\$ 11,792	\$ 16,004	\$ 27,796	\$ 43,801	\$ 12,635	\$ 56,436	\$ 84,232
Employee benefits	1,024	1,390	2,414	3,804	1,097	4,901	7,315
Payroll taxes and fringes	948	1,286	2,234	3,520	1,016	4,536	6,770
<b>Total Salaries and Related Expenses</b>	<b>13,764</b>	<b>18,680</b>	<b>32,444</b>	<b>51,125</b>	<b>14,748</b>	<b>65,873</b>	<b>98,317</b>
Grants and allocations	453,768	-	453,768	-	-	-	453,768
Other community services	-	27,347	27,347	-	-	-	27,347
Professional fees	1,654	2,245	3,899	6,144	1,772	7,916	11,815
Allowance for uncollectible pledges	(565)	-	(565)	-	-	-	(565)
Membership dues	-	-	-	8,853	-	8,853	8,853
Occupancy	1,101	1,494	2,595	4,090	1,180	5,270	7,865
Supplies	683	927	1,610	2,539	732	3,271	4,881
Rental and maintenance of equipment	-	-	-	-	-	-	-
Insurance	255	346	601	949	273	1,222	1,823
Computer and website	621	843	1,464	2,309	666	2,975	4,439
Telephone	-	-	-	-	-	-	-
Depreciation and amortization	354	480	834	1,314	379	1,693	2,527
Miscellaneous	-	-	-	-	4,260	4,260	4,260
Postage and shipping	56	75	131	206	60	266	397
Conference and meetings	121	164	285	448	129	577	862
Printing and publications	403	546	949	1,496	431	1,927	2,876
Interest/Bank service charges	15	21	36	56	16	72	108
Advertising	-	-	-	8,234	-	8,234	8,234
Travel	52	71	123	195	56	251	374
State filing fee	49	67	116	181	53	234	350
	<u>472,331</u>	<u>53,306</u>	<u>525,637</u>	<u>88,139</u>	<u>24,755</u>	<u>112,894</u>	<u>638,531</u>
Less: Allowance for uncollectible pledges included on the statement of activities	565	-	565	-	-	-	565
<b>Total Expense</b>	<b><u>\$ 472,896</u></b>	<b><u>\$ 53,306</u></b>	<b><u>\$ 526,202</u></b>	<b><u>\$ 88,139</u></b>	<b><u>\$ 24,755</u></b>	<b><u>\$ 112,894</u></b>	<b><u>\$ 639,096</u></b>

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

**Orrville United Way**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 19,054	\$ 59,163
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,486	2,574
Allowance for uncollectible pledges	5,519	(565)
Loss on disposal of property, plant and equipment	195	-
Amortization of right of use assets - operating	7,768	7,281
Decrease (Increase) in assets:		
Pledges receivables	(15,550)	9,552
Increase (Decrease) in assets:		
Designation payable	4,990	(1,174)
Accrued expenses	1,328	(796)
Operating lease liabilities	(7,768)	(7,281)
<b>Cash Provided by Operating Activities</b>	<b>18,022</b>	<b>68,754</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,974)	(3,100)
<b>Cash Used in Investing Activities</b>	<b>(1,974)</b>	<b>(3,100)</b>
 <b>Net Change in Cash</b>	 16,048	 65,654
 <b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	 438,981	 373,327
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	 \$ 455,029	 \$ 438,981
 <b>SUPPLEMENTAL INFORMATION</b>		
Noncash transactions:		
Right of use assets - operating obtained in exchange for operating lease obligations	\$ -	\$ 20,515

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



**Orrville United Way**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

**1. Nature of Operations**

Orrville United Way (“United Way”) is a tax-exempt nonprofit organization governed by a volunteer Board of Directors nominated from the community. The United Way service area covers Orrville, Dalton and Marshallville, with limited service to the Kidron area. Orrville United Way presently allocated funds to 14 programs from 11 partner agencies.

**2. Accounting Policies**

These financial statements have been prepared in accordance with generally accepted accounting principles. A summary of the United Way’s accounting policies are as follows:

Cash, Cash Equivalents and Restricted Cash – The United Way Considers all investments and deposits with original maturities of three months or less to be cash equivalents.

The United Way maintains its cash in bank deposit accounts, which at times may exceed the federally insured limits. The United Way has not experienced any losses in such accounts. The United Way believes it is not exposed to any significant financial risk with cash. At December 31, 2023 and 2022, bank balances exceeded federally insured limits by \$46,824 and \$102,989, respectively.

Statement of Cash Flows - The United Way did not pay any interest or Federal or State income taxes during the years ended December 31, 2023 and 2022. In accordance with ASU 2018-16, “Statement of Cash Flows”, restricted cash has been included in cash and cash equivalents in the accompanying Statement of Cash Flows.

Pledges Receivable and Revenue – Unconditional promises to give are recorded at their net realizable value. United Way uses the allowance method to determine uncollectible pledges. The allowance is determined based upon historical experience and management analysis of specific balances.

United Way recognizes revenue as a transfer of assets in accordance with ASU No. 2018-08, “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made”, which applies to all entities whom receive or make contributions.

An annual campaign is conducted each year from approximately August through October to fund the United Way's operations and allocations and grants for various local charitable agencies. Contributions from the current year campaign are recorded when a promise to give is acknowledged and are recorded as support with or without donor restriction, depending on the existence and nature of any donor restrictions, during the current year.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or the purpose of restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restriction on the Statement of Activities and Changes in Net Assets. The United Way does not have any net assets with donor restriction of a permanent nature.

Contributions received with donor-imposed restrictions are recorded as without donor restrictions if the restrictions are expected to be met within the same period.

See independent accountant’s audit report.

**Orrville United Way**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

Contributions designated by the donor for specific agencies are recognized, in accordance with FASB ASC 958 605, "Revenue Recognition", as liabilities payable to the other specified agencies rather than revenue to the United Way. These designated contributions are considered as without donor restrictions.

The United Way reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions.

Property, Equipment, and Depreciation – Equipment is recorded on the basis of cost or fair market value at the date of donation for donated items. Maintenance and repairs are charged to expenses as incurred. Renewals and betterments that extend the useful lives of assets beyond one year and are in excess of \$500 are capitalized. Depreciation is recognized using the straight-line method over the estimated useful lives of the related assets, ranging from 3 years to 10 years.

Depreciation expense was \$1,485 and \$1,453 for the years ended December 31, 2023 and 2022, respectively.

Compensated Absences - The United Way's policy is to recognize the cost of vacation when actually paid.

Advertising - The United Way expenses the cost of advertising when the expense occurs. Advertising expense for the years ended December 31, 2023 and 2022 was \$18,665 and \$8,234, respectively.

Reclassification of Prior Year Presentation – Certain prior year amounts have been reclassified to be consistent with the current year presentation. These reclassifications had no effect on the reported change in net assets.

Income Taxes – The United Way adopted the provisions of FASB ASC 740-10 (formerly FIN 48 "Accounting for Uncertainty in Income Taxes"), which prescribes a recognized threshold and measurement attribute for the financial statement recognized and measurement of tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the amount of benefit that is greater than 50% likely of being realized upon ultimate settlement.

As a result of the implementation of the standard, management determined that there are no material uncertain tax positions.

As a not-for-profit organization, the United Way is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and exempt from Ohio Income taxes. Therefore, no provision or liability for income taxes has been included in the financial statements.

The United Way's federal income tax returns are subject to examination by the IRS. From time to time, United Way may be subject to interest and penalties assessed by various taxing authorities. These amounts have historically been insignificant and are classified as other expenses as other expenses as they occur.

See independent accountant's audit report.

**Orrville United Way**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 may differ from those estimates.

Agency Transactions - The United Way, acting as an agent, receives cash donations from individuals and businesses that are designated to other United Way agencies.

Donated Services and Contributions of Non-financial Assets - Non-profit accounting principles require donated services that require specific expertise or enhance a non-financial asset be recorded in the financial statements at their fair market value. Many individuals have donated significant amounts of their time in support of United Way services and fundraising campaigns. No amounts have been reflected in these financial statements for these donated hours, as they did not meet the criteria for recognition.

Classification of Net Assets - The United Way has adopted ASU 2016-14, "Not-For-Profit Entities: Presentation of Financial Statements of Not-For-Profit Entities." This requires that net assets be reported in two classes as follows:

Net Assets without Donor Restrictions - Net assets without donor restrictions represent the portion of expendable funds that are available for support of the United Way's operations or that have been designated by the Board for a particular purpose.

Net Assets with Donor Restrictions - Net assets with donor restrictions represent donations requiring that the amount be used for a particular memorial to be built in a particular location.

Functional Expenses - The United Way follows guidelines established by United Way of America's *Functional Expenses and Overhead Reporting Standards* for allocating costs among functional expense categories. In general, where a specific cost can be identified with a particular function, the cost is charged directly to that function. If costs cannot be identified directly with specific functional categories, those costs are allocated among functional categories based upon accepted methods of cost allocation. The expenses which are allocated are done so on the basis of estimates of time and effort. The categories for reporting functional expenses are as follows:

Program Services - Includes research aimed at identification and resolution of community problems that impact the quality of life in the community; provides information and education to the public regarding the community's most critical human needs; analyzes and reviews human service agencies and programs to ensure they are meeting the most critical community needs; evaluates programs to determine how United Way donor dollars will be invested; monitors programs to ensure accountability and measures results and outcomes. Provides leadership and serves as the facilitator to develop initiatives, which focus on causative issues.

Management and General - Includes overall direction and administration of United Way; ensures that United Way is well managed; responsible for strategic planning and overall development of the organization; has responsibility for all staff functions, including human resource management; ensures that general records are properly and accurately

See independent accountant's audit report.

**Orrville United Way**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

maintained; responsible for fiscal management, including financial statements, audits, pledge and accounts receivable management and accounts payable. Also responsible for maintaining, governing and policy making bodies of United Way through the Board of Directors.

New Accounting Pronouncements - In February 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)", which amends existing accounting standards for lease accounting, requires lessees to recognize most leases on the balance sheet and making certain changes to lessor accounting. The new standard is effective for United Way for the 2022 calendar year, with early adoption permitted.

In June 2016, FASB issued ASU No. 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", this replaces the incurred loss methodology with an excepted loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL applies to the measurement of expected credit losses of financial assets measured at amortized cost, including; accounts receivable. CECL also applies to certain off statement of financial position credit exposures not accounted for as insurance and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. The standard is effect for United for the year ended December 31, 2023.

The United Way adopted ASU No. 2016-13 using the retrospective method for all financial assets measured at amortized cost, and statement of financial position credit exposures. Results for reporting periods beginning after January 1, 2022 are presented under ASU No. 2016-13 while prior period amounts continue to be reported accordance with previously applicable GAAP. The adoption of ASU No. 2016-13 had no effect on net assets for the year ended December 31, 2022.

Management has evaluated the impact of adopting the standards on the financial statements.

**3. Concentrations of Credit Risk**

Primarily all of United Way revenues and pledges receivable are from businesses and individuals located in the greater Orrville, Ohio areas.

Contributed support from 2023 and 2022 includes contributions from one major donor. The major donor accounted for 53% and 57% of the total United Way contributed support for the years ended December 31, 2023 and 2022, respectively. Pledges receivable from this donor totaled 0% of total receivables as of December 31, 2023 and 2022.

The timing of the campaign donations each year from this donor has a significant effect on the financial statements.

See independent accountant's audit report.

**Orrville United Way**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

**4. Liquidity**

The following reflects United Way 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 contractual or donor-imposed restrictions.

	<u>2023</u>	<u>2022</u>
Cash	\$ 455,029	\$ 438,981
Pledges receivable, net	68,093	58,062
	<u>\$ 523,122</u>	<u>\$ 497,043</u>

The United Way has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The United Way's primary source of revenue are contributions from donors. Because the United Way has an unrestricted revenue stream, the United Way anticipates it will have no difficulty maintaining sufficient resources to meet any restrictions imposed by its donors during the upcoming year.

**5. Website**

The cost and related accumulated amortization of the website at December 31,

	<u>2023</u>	<u>2022</u>
Website, cost	\$ 5,605	\$ 5,605
Accumulated amortization	(4,417)	(3,416)
Website, Net	<u>\$ 1,188</u>	<u>\$ 2,189</u>

Website cost are amortized using the straight-line method over five years. Amortization expense for the year ended December 31, 2023 and 2022 was \$1,001 and \$1,121, respectively.

**6. Operating Lease**

United Way leases its office space under an operating lease agreement. In September of 2021, United Way moved to a new location in Orrville, Ohio. The lease for the new office space has monthly lease payment of \$700 and expires in August 2024. Under the terms of the lease, the annual rent was \$8,400 for the years ended December 31, 2023 and 2022. The United Way had a weighted average discount rate of 6.5% for the years ended December 31, 2023 and 2022. The United Way had a weighted average remaining lease term of 8 months and 20 months, respectively, for the years ended December 31, 2023 and 2022. The following reflects the balances for the right of use asset – operating and operating lease obligations for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Right of use assets - operating	\$ 22,963	\$ 22,963
Less: Accumulated amortization	(17,497)	(9,729)
Right of use assets - operating, net	<u>\$ 5,466</u>	<u>\$ 13,234</u>

See independent accountant's audit report.

**Orrville United Way**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
Operating lease obligation	\$ 5,466	\$ 13,234
Less: Current portion	(5,466)	(7,768)
Long-term portion, net	\$ -	\$ 5,466

The future minimum lease payments under the terms of the lease are \$5,466 for the year ended December 31, 2024.

**7. Retirement Plan**

United Way offers a SIMPLE IRA retirement plan to all of its employees. Employees are 100% vested upon 90 days of employment. The plan provides for contributions by United Way up to the IRS cap. In 2023 and 2022, United Way contributed \$1,267 and \$1,180, respectively.

**8. Support Services**

The United Way calculates its overhead ratio in accordance with standards established by the United Way of America as membership criteria. These standards provide a uniform method of calculating the overhead ratio for all United Ways and include management and general and fundraising expenses as support services.

**9. Net Assets**

Net assets without donor restrictions designed by the board for technology was \$0 and \$3,500, respectively, at December 31, 2023 and 2022.

There were no assets with donor restriction at December 31, 2023 and 2022.

**10. Subsequent Event**

No reportable subsequent events have been identified. Subsequent events were evaluated through September 18, 2024, which is the date the financial statements were available to be issued.

See independent accountant's audit report.