

**UNITED WAY OF
CENTRAL INDIANA, INC.**

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

UNITED WAY OF CENTRAL INDIANA, INC.
Indianapolis, Indiana

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
United Way of Central Indiana, Inc.
Indianapolis, Indiana

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

We have audited the consolidated financial statements of United Way of Central Indiana, Inc. ("United Way"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated 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 accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of United Way as of June 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 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 the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 for one year from the date the consolidated 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 consolidated 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.
- Conclude whether, in our judgment, 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.



Crowe LLP

Indianapolis, Indiana
October 12, 2022

UNITED WAY OF CENTRAL INDIANA, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

	2022	2021
ASSETS:		
Cash and cash equivalents	\$ 15,484,998	\$ 12,744,951
Investments (Note 3)	180,029,098	209,581,048
Beneficial interest in assets held by Putnam County Community Foundation	541,087	609,954
Pledges receivable		
Current fundraising, less allowance of \$1,220,457 and \$1,377,834 for uncollectible accounts for 2022 and 2021, respectively	7,346,806	9,412,141
Future years' fundraising, less allowance and discounts of \$98,897 and \$51,661 for 2022 and 2021, respectively	2,049,962	1,904,026
	9,396,768	11,316,167
Grants and other amounts receivable	10,431,098	6,812,831
Prepaid expenses and other assets	669,877	910,336
Leasehold improvements and equipment:		
Leasehold improvements	1,191,914	1,191,914
Furniture and equipment	2,577,085	2,619,688
Less - accumulated depreciation	(2,879,334)	(2,556,804)
	889,665	1,254,798
Total assets	\$ 217,442,591	\$ 243,230,085
LIABILITIES:		
Accounts payable and accrued expenses	\$ 4,728,300	\$ 3,685,010
Funds held for others	2,376,239	1,705,518
Fund distributions payable	6,963,165	7,368,559
Donor designations payable	3,196,688	2,835,286
Total liabilities	17,264,392	15,594,373
NET ASSETS:		
Without donor restrictions		
Undesignated	3,922,132	7,583,338
Board designated (Note 7)	54,764,406	59,277,685
Total without donor restrictions	58,686,538	66,861,023
With donor restrictions (Note 7)	141,491,661	160,774,689
Total net assets	200,178,199	227,635,712
Total liabilities and net assets	\$ 217,442,591	\$ 243,230,085

See accompanying notes to consolidated financial statements.

UNITED WAY OF CENTRAL INDIANA, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2022 with combined totals for 2021

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
COMMUNITY ENGAGEMENT RESULTS SUMMARY				
Community Engagement Results	\$ 30,778,313	\$ -	\$ 30,778,313	\$ 29,195,950
LESS: Pledges designated to other not-for-profit organizations	(6,501,231)	-	(6,501,231)	(5,275,965)
CONTRIBUTIONS TO THE UNITED WAY	\$ 24,277,082	\$ -	\$ 24,277,082	\$ 23,919,985
CONTRIBUTIONS AND OTHER REVENUE				
Community Engagement contributions applicable to current period				
Contributions pledged - current period	\$ 18,680,256	\$ -	\$ 18,680,256	\$ 20,484,613
Contributions pledged in prior periods and now released from restriction (Note 8)	5,596,826	(5,596,826)	-	-
Community Engagement fundraising, current	24,277,082	(5,596,826)	18,680,256	20,484,613
Less - provision for uncollectible pledges, discounts and designations	(868,255)	47,432	(820,823)	(959,831)
Net Community Engagement, current	23,408,827	(5,549,394)	17,859,433	19,524,782
Change in estimated prior years' Community Engagement revenue	228,194	-	228,194	2,911,512
Community Engagement contributions pledged for future allocation periods (Net of change in allowance for uncollectible pledges and discounts of \$96,604 and \$17,620 at June 30, 2022 and 2021)	-	2,917,421	2,917,421	4,334,813
Total Community Engagement	23,637,021	(2,631,973)	21,005,048	26,771,107
Grants and other contributions	391,512	21,443,312	21,834,824	49,396,217
Investment income (loss) - endowment funds	(373,433)	(13,933,495)	(14,306,928)	32,303,456
Investment income (loss) - other funds	(3,035,131)	(334,948)	(3,370,079)	3,573,425
Grants and other contributions released from restrictions (Note 8)	23,825,924	(23,825,924)	-	-
Program, service fee and other income	933,523	-	933,523	517,908
Total contributions and other revenue	45,379,416	(19,283,028)	26,096,388	112,562,113
FUNDS ALLOCATED FOR SERVICES AND OTHER FUNCTIONAL EXPENSES				
Accredited community-based organization (CBO) supports	3,595,394	-	3,595,394	9,445,889
United Way initiatives	35,587,873	-	35,587,873	26,697,231
Other community impact	5,074,511	-	5,074,511	8,214,556
Total program services	44,257,778	-	44,257,778	44,357,676
Fund raising	5,244,317	-	5,244,317	5,064,827
Management and general	4,051,806	-	4,051,806	3,484,899
Total funds allocated for services and other functional expenses	53,553,901	-	53,553,901	52,907,402
NET OPERATING RESULTS	(8,174,485)	(19,283,028)	(27,457,513)	59,654,711
Discretionary contribution - Merger with United Way of Putnam County (Note 13)	-	-	-	682,691
CHANGE IN NET ASSETS	(8,174,485)	(19,283,028)	(27,457,513)	60,337,402
NET ASSETS AT BEGINNING OF YEAR	\$ 66,861,023	\$ 160,774,689	\$ 227,635,712	\$ 167,298,310
NET ASSETS AT END OF YEAR	\$ 58,686,538	\$ 141,491,661	\$ 200,178,199	\$ 227,635,712

See accompanying notes to consolidated financial statements.

UNITED WAY OF CENTRAL INDIANA, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total 2021
COMMUNITY ENGAGEMENT RESULTS SUMMARY			
Community Engagement Results	\$ 29,195,950	-	\$ 29,195,950
LESS: Pledges designated to other not-for-profit organizations	(5,275,965)	-	(5,275,965)
CONTRIBUTIONS TO THE UNITED WAY	<u>\$ 23,919,985</u>	<u>\$ -</u>	<u>\$ 23,919,985</u>
CONTRIBUTIONS AND OTHER REVENUE			
Community Engagement contributions applicable to current period			
Contributions pledged - current period	\$ 20,484,613	-	\$ 20,484,613
Contributions pledged in prior periods and now released from restriction (Note 8)	3,035,372	(3,035,372)	-
Community Engagement fundraising, current	23,519,985	(3,035,372)	20,484,613
Less - provision for uncollectible pledges, discounts and designations	(986,886)	27,055	(959,831)
Net Community Engagement, current	22,533,099	(3,008,317)	19,524,782
Change in estimated prior years' Community Engagement revenue	2,911,512	-	2,911,512
Community Engagement contributions pledged for future allocation periods (Net of change in allowance for uncollectible pledges and discounts of \$17,620)	-	4,334,813	4,334,813
Total Community Engagement	25,444,611	1,326,496	26,771,107
Grants and other contributions	27,146,509	22,249,708	49,396,217
Investment income - endowment funds	707,843	31,595,613	32,303,456
Investment income - other funds	2,367,045	1,206,380	3,573,425
Grants and other contributions released from restrictions (Note 8)	30,626,334	(30,626,334)	-
Program and service fees	517,908	-	517,908
Total contributions and other revenue	<u>86,810,250</u>	<u>25,751,863</u>	<u>112,562,113</u>
FUNDS ALLOCATED FOR SERVICES AND OTHER FUNCTIONAL EXPENSES			
Accredited community-based organization (CBO) supports	9,445,889	-	9,445,889
United Way initiatives	26,697,231	-	26,697,231
Other community impact	8,214,556	-	8,214,556
Total program services	44,357,676	-	44,357,676
Fund raising	5,064,827	-	5,064,827
Management and general	3,484,899	-	3,484,899
Total funds allocated for services and other functional expenses	<u>52,907,402</u>	<u>-</u>	<u>52,907,402</u>
NET OPERATING RESULTS	33,902,848	25,751,863	59,654,711
Discretionary contribution - Merger with United Way of Putnam County (Note 13)	682,691	-	682,691
CHANGE IN NET ASSETS	34,585,539	25,751,863	60,337,402
NET ASSETS AT BEGINNING OF YEAR	\$ 32,275,484	\$ 135,022,826	\$ 167,298,310
NET ASSETS AT END OF YEAR	<u>\$ 66,861,023</u>	<u>\$ 160,774,689</u>	<u>\$ 227,635,712</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF CENTRAL INDIANA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ (27,457,513)	\$ 60,337,402
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Contribution payments restricted for endowments	(31,415)	(169,241)
Realized and unrealized gain (loss) on investments	26,514,250	(32,367,150)
Depreciation	390,133	443,626
Bad debt expense (recovery)	(110,141)	(2,650,749)
PPP loan forgiveness	-	(1,801,162)
Beneficial interest in assets held by Putnam County Community Foundation	68,867	(609,954)
Change in other assets and liabilities:		
Pledge and other receivables	(1,588,727)	946,923
Prepaid expenses and other assets	240,459	(384,617)
Accounts payable and accrued expenses	1,043,290	(3,467,746)
Funds held for others	670,721	932,379
Defined benefit pension liability	-	(2,460,151)
Fund distributions payable	(405,394)	3,727,106
Donor designations payable	361,402	158,130
Net cash from operating activities	(304,068)	22,634,796
Cash flows from investing activities		
Proceeds from sale of investments	75,814,990	50,444,390
Purchases of investments	(72,777,290)	(73,408,382)
Purchases of furniture and equipment	(25,000)	-
Net cash used in investing activities	3,012,700	(22,963,992)
Cash flows from financing activities		
Proceeds from contributions restricted for endowments	31,415	169,241
Net cash from financing activities	31,415	169,241
Net change in cash and cash equivalents	2,740,047	(159,955)
Cash and cash equivalents at beginning of the year	12,744,951	12,904,906
Cash and cash equivalents at the end of the year	\$ 15,484,998	\$ 12,744,951
Non-cash activities:		
Acquisition of beneficial interest in assets held by Putnam County Community Foundation from merger	\$ -	\$ 609,954

See accompanying notes to consolidated financial statements.

UNITED WAY OF CENTRAL INDIANA, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Years ended June 30, 2022 with combined totals for 2021

	Affiliated Agency Supports	United Way Initiatives	Other Community Impact	Total Program Services	Fund Raising	Management & General	Internal Services	Total 2022	Total 2021
Grants and assistance									
Central Indiana COVID-19 Community Economic Relief Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,564,500
Other grants and assistance	3,217,576	30,099,372	193,381	33,510,329	1,271	-	-	33,511,600	30,956,254
Total grants and assistance	3,217,576	30,099,372	193,381	33,510,329	1,271	-	-	33,511,600	34,520,754
Personnel	203,678	1,848,697	2,719,342	4,771,717	3,545,233	2,463,505	456,936	11,237,391	9,444,681
Professional fees and contract services	96,153	2,778,748	1,040,438	3,915,339	123,694	577,078	240,524	4,856,635	3,730,501
Office costs (printing, telephone, internet, computer hardware, other)	2,839	65,184	29,210	97,233	91,426	75,795	193,010	457,464	569,336
Program supplies	500	115,420	23,875	139,795	-	-	-	139,795	1,096,622
Technology licensing and hosting	-	4,294	133,263	137,557	151,569	95,325	325,210	709,661	1,126,236
Occupancy	-	-	-	-	-	77	784,460	784,537	832,258
Advertising	-	83,194	3,466	86,660	11,290	147,427	349	245,726	286,236
Transportation, meetings and conferences	3,751	165,071	25,973	194,795	58,792	81,487	2,377	337,451	114,478
Membership dues	-	-	344,033	344,033	326,389	173,026	-	843,448	716,693
Miscellaneous	-	7,501	2,063	9,564	2,518	27,659	319	40,060	25,981
Expenses before internal allocations	306,921	5,068,109	4,321,663	9,696,693	4,310,911	3,641,379	2,003,185	19,652,168	17,943,022
Internal allocations									
Depreciation of building and equipment	-	-	-	-	-	-	390,133	390,133	443,626
Allocation of internal services	70,897	420,392	559,467	1,050,756	932,135	410,427	(2,393,318)	-	-
Expenses after internal allocations	377,818	5,488,501	4,881,130	10,747,449	5,243,046	4,051,806	-	20,042,301	18,386,648
Total	<u>\$ 3,595,394</u>	<u>\$ 35,587,873</u>	<u>\$ 5,074,511</u>	<u>\$ 44,257,778</u>	<u>\$ 5,244,317</u>	<u>\$ 4,051,806</u>	<u>\$ -</u>	<u>\$ 53,553,901</u>	<u>\$ 52,907,402</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF CENTRAL INDIANA, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2021

	Affiliated Agency Supports	United Way Initiatives	Other Community Impact	Total Program Services	Fund Raising	Management & General	Internal Services	Total 2021
Grants and assistance								
Central Indiana COVID-19 Community Economic Relief Fund	\$ -	\$ -	\$ 3,564,500	\$ 3,564,500	\$ -	\$ -	\$ -	\$ 3,564,500
Other grants and assistance	9,008,029	21,871,117	77,108	30,956,254	-	-	-	30,956,254
Total grants and assistance	9,008,029	21,871,117	3,641,608	34,520,754	-	-	-	34,520,754
Personnel	289,147	1,294,752	2,180,629	3,764,528	3,299,342	2,036,419	344,392	9,444,681
Professional fees and contract services	50,686	1,782,995	1,152,956	2,986,637	59,638	460,686	223,540	3,730,501
Office costs (printing, telephone, internet, computer hardware, other)	2,030	58,671	44,811	105,512	113,142	64,506	286,176	569,336
Program supplies	-	1,090,159	6,463	1,096,622	-	-	-	1,096,622
Technology licensing and hosting	-	2,235	161,597	163,832	133,349	66,303	762,752	1,126,236
Occupancy	-	7,488	-	7,488	-	15,460	809,310	832,258
Advertising	-	91,229	11,240	102,469	5,780	177,638	349	286,236
Transportation, meetings and conferences	1,671	54,272	19,077	75,020	8,749	29,773	936	114,478
Membership dues	45	25	294,142	294,212	287,016	135,465	-	716,693
Miscellaneous	-	3,625	1,374	4,999	2,207	18,727	48	25,981
Expenses before internal allocations	343,579	4,385,451	3,872,289	8,601,319	3,909,223	3,004,977	2,427,503	17,943,022
Internal allocations								
Depreciation of building and equipment	-	-	-	-	-	-	443,626	443,626
Allocation of internal services	94,281	440,663	700,659	1,235,603	1,155,604	479,922	(2,871,129)	-
Expenses after internal allocations	437,860	4,826,114	4,572,948	9,836,922	5,064,827	3,484,899	-	18,386,648
Total	\$ 9,445,889	\$26,697,231	\$ 8,214,556	\$ 44,357,676	\$ 5,064,827	\$ 3,484,899	\$ -	\$52,907,402

See accompanying notes to consolidated financial statements.

1. SUMMARY OF SIGNIFICANT OPERATING POLICIES

- a. Annual Contributions and Designated Pledges: United Way of Central Indiana, Inc. (United Way) conducts annual community engagement fundraising to support local health and human service programs in the priority areas of education, financial stability, health and basic needs. Pledges are generally recorded as without restrictions unless a pledge is specifically restricted due to timing (a future year pledge) or purpose. Grants to community-based organizations (CBO's) approved by the United Way Board of Directors are appropriated from net assets without donor restrictions. In addition, other approved expenditures for the next fiscal year are appropriated from net assets without donor restrictions by the United Way Board of Directors.

United Way allows donors to designate all or part of their contributions. Designations to specific not-for-profit organizations other than United Way are excluded from revenue and expense. Designations are included on the Statement of Financial Position within pledges receivable with related donor designations payable. The costs to generate and distribute designated pledges are recorded as fundraising and management and general expense. Related processing fees deducted from payments to the designated not-for-profit organizations are recorded as service fee income.

Contributions and grants to United Way for specific priorities and/or programs are defined as purpose restrictions and are initially recorded as contributions with donor restrictions. Restricted contributions and grants received and released from restriction within the same fiscal period are recorded as with donor restrictions and released from restriction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Basis of Accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).
- b. Basis of Consolidation: The financial statements include the accounts of United Way and UWCI, LLC, a limited liability company of which United Way is the sole member. There are no material intercompany transactions that are required to be eliminated in the consolidation and UWCI, LLC did not have any transactions during the years ended June 30, 2022 or 2021.
- c. Cash and Cash Equivalents: United Way maintains its primary checking accounts and various savings accounts at local banks. During 2022 and 2021, United Way maintained cash balances at financial institutions in excess of the insurance limits provided by the Federal Deposit Insurance Corporation.
- d. Investments: Investments are recorded at fair value based on estimates made by the investment trust administrators using current quoted market prices or the market prices of similar securities.

The various investments in equity securities, mutual funds, bonds, exchange traded funds, U.S. government agency obligations, U.S. Treasury bills, and other investments are exposed to a variety of uncertainties, including interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements.

Investment income includes realized and unrealized gains and losses on investment transactions and interest and dividend income, net of fees.

(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- e. Pledges Receivable, Discounts, and Allowance: Pledges receivable are recorded net of any allowance for uncollectible pledges. At June 30, 2022 and 2021, there are \$50,000 and \$79,000 of pledges receivable extending beyond one year which are recorded at their net present value. A discount rate of 1% was used to estimate the present value of future year receivables for 2022 and 2021. The remaining pledges receivable balance is expected to be collected within the next fiscal year.
- f. Leasehold Improvements, Furniture and Equipment and Depreciation: United Way capitalizes all expenditures for leasehold improvements, and furniture and equipment in excess of \$5,000. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. No restrictions exist on any leasehold improvements, furniture, or equipment assets.
- g. Impairment of Long-Lived Assets: In accordance with GAAP, United Way reviews its leasehold improvements, and furniture and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss was recognized during the years ended June 30, 2022 and 2021.
- h. Net Assets Without Donor Restrictions: Net assets without donor restriction include undesignated and Board-appropriated assets and liabilities of United Way. The Board of Directors appropriates a portion of the net assets without donor restrictions for specific purposes. These funds may only be used based on Board directives. Unappropriated net assets without donor restrictions are subject to a Board-approved net asset reserve policy that United Way maintain a reserve balance equivalent to at least three months of operating and program costs.
- i. Net Assets With Donor Restrictions: Net assets with donor restrictions are those whose use has been limited by donors to a specific time period or purpose or have been restricted by donors to be maintained by United Way in perpetuity.
- j. Donated Services: United Way did not receive any donated services that are reflected in the financial statements in fiscal years 2022 and 2021. A substantial number of volunteers have donated significant amounts of their time in the organization's governance, fund raising, fund distribution, and direct assistance program activities, however, no amounts have been included in the financial statements for these donated services based on GAAP criteria.
- k. Support and Revenue: All contributions are considered available for use without donor restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restriction support.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a discount rate commensurate with the risks involved. Conditional promises to give are not included as support until the conditions are substantially met.

- l. Private and Government Grants: United Way receives private and government grants for various projects and programs. Private grants are recorded as contributions and are administered through United Way as part of the normal course of business. Government grants that are cost reimbursement in nature are recognized as revenue when the eligible expenses are incurred.
- m. Program and Service Fees: United way receives various sales, program, workshop and other administrative service fees throughout the year. Program and service fees revenue is recognized during the period in which the service takes place.

(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- n. Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported period.

Areas where significant estimates are used in the accompanying financial statements include the allowance for pledges receivable and donor designations payable, present value of future cash flows, fair value of investments, net assets classification, and indirect cost allocation. Actual results could differ from those estimates.

- o. Functional Allocation of Expenses: Expenses have been allocated among program, management and general, and fundraising categories based upon estimates of the benefits received by the various programs and supporting services. Direct expenses related to these respective categories are allocated accordingly. Indirect expenses are allocated based on the headcount within each respective category.
- p. COVID-19 Impact and Paycheck Protection Program Loan: In December 2019, a novel strain of coronavirus (COVID-19) surfaced and spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the United Way were materially affected by this global pandemic.

As a result, in April 2020, the United Way obtained a forgivable Paycheck Protection Program (PPP) Loan under a program offered by the United States Small Business Administration (SBA) in the amount of \$1,801,162. The loan had a stated interest rate of 1.0%. Based on accounting guidance related to conditional grants (ASC 958-605), the proceeds were recorded as a grant advance liability on the consolidated statement of financial position at June 30, 2020, as United Way had not yet satisfied the forgiveness conditions imposed by the SBA. During the year ending June 30, 2021, United Way met these conditions for forgiveness and received formal forgiveness on March 26, 2021. As a result, United Way has recorded a grant of \$1,801,162 for the year ending June 30, 2021.

- q. Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2022 to determine the need for any adjustments or disclosures within the financial statements for the year ended June 30, 2022. Management has performed their analysis through October 12, 2022, the date the report was available to be issued.
- r. Reclassifications: Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. Such reclassifications did not have an effect on net assets or change in net assets.

(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

3. INVESTMENTS

Investments at fair value are composed of the following:

	<u>2022</u>	<u>2021</u>
Money market funds	\$ 13,105,584	\$ 35,247,208
Certificates of deposit	2,135,027	3,679,016
U.S. government agency obligations	9,713,019	4,498,780
U.S. treasury bills	15,088,769	11,875,102
Municipal bonds	1,223,459	1,335,736
Corporate bonds	22,240,859	20,185,525
Mutual funds	65,536,524	76,355,156
Domestic equity	9,413,888	10,139,514
International equity	6,417,262	7,842,600
Private equity funds	1,047,047	-
Exchange traded funds	<u>34,107,660</u>	<u>38,422,411</u>
	<u>\$ 180,029,098</u>	<u>\$ 209,581,048</u>

Investment income (loss) is comprised of the following for the years ending June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest and dividends (net of fees of \$370,102 and \$337,995 for 2022 and 2021, respectively)	\$ 8,794,227	\$ 3,486,975
Realized gain on sale of investments	1,009,850	4,121,081
Unrealized gain (loss) on investments	(27,524,100)	28,246,069
Change in split value of assets	<u>43,016</u>	<u>22,756</u>
Total investment income (loss)	<u>\$ (17,677,007)</u>	<u>\$ 35,876,881</u>

4. FACILITY OPERATIONS

United Way has one office under a non-cancelable operating lease which expires in 2032. Future minimum payments due under the lease agreements are as follows:

2023	\$ 716,435
2024	726,502
2025	736,569
2026	746,636
2027	756,703
2028-2032	<u>3,798,614</u>
	<u>\$ 7,481,459</u>

Rent expense was \$679,909 and \$741,916 for the years ended June 30, 2022 and 2021.

(Continued)

5. TAX STATUS

United Way is a nonprofit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (IRC). UWCI, LLC is a single member LLC whose single member is exempt from federal income taxes under Section 501(c)(3) of the IRC. GAAP requires United Way and UWCI, LLC to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur.

The amount recognized is the largest amount of uncertain tax position that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. United Way and UWCI, LLC have examined this issue and have determined there are no material uncertain tax positions.

United Way and UWCI, LLC do not expect the total amount of uncertain tax positions to significantly change in the next 12 months. United Way and UWCI, LLC recognize interest and/or penalties related to income tax matters in income tax expense. United Way and UWCI, LLC did not have any amounts accrued for interest and penalties at June 30, 2022 or 2021.

6. RETIREMENT PLANS

United Way has a noncontributory defined benefit pension plan (DB plan) and a contributory defined contribution plan (DC plan) covering all eligible employees. DB plan benefits are determined by a formula that considers length of service, salary, and the individual's Social Security benefit.

Defined Benefit Plan. In January 2019, United Way amended the DB plan to freeze benefits effective January 18, 2019. The result of the freeze is that current employees at the time of the freeze still received the benefits they had earned as of January 18, 2019; but no additional future benefits were earned and no new employees were added. Subsequently, United Way terminated the plan effective November 1, 2019. United Way filed Internal Revenue Service (IRS) Form 5310, Application for Determination upon Termination on February 21, 2020 and received IRS determination on August 26, 2020. United Way filed Pension Benefit Guarantee Corporation (PBGC) Form 500, Standard Termination Notice on March 12, 2020. United Way made final contributions in termination of \$1,912,398 to the DB plan for the year ended June 30, 2021. The DB plan made final termination distributions in December 2020.

Defined Contribution Plan: Effective January 1, 2019, United Way implemented a 401(k) retirement plan in which employees of the United Way are immediately eligible to participate. The 401(k) plan includes a 100% employer match of employee contributions up to 6%. Employees become fully vested in employer contributions after two years of service with 0% vesting prior. Current employees with two or more years of service were fully vested upon commencement of the plan. Total contributions to the 401(k) plan were \$421,516 and \$386,570 for the years ended June 30, 2022 and 2021, respectively.

UNITED WAY OF CENTRAL INDIANA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

7. RESTRICTED AND BOARD-DESIGNATED FUNDS

A portion of net assets without donor restrictions has been appropriated by the Board of Directors for the following purposes:

	<u>2022</u>	<u>2021</u>
Accredited CBO supports	\$ 683,838	\$ 563,234
Current year operations and grantmaking	28,090,217	30,841,382
Transformational gift pending strategic plan	20,000,000	23,000,000
United Way initiatives	2,897,029	1,294,810
Quasi endowed funds	3,093,322	3,466,756
Other	<u>-</u>	<u>111,503</u>
	<u>\$ 54,764,406</u>	<u>\$ 59,277,685</u>

Net assets with donor restrictions are comprised of the following:

	<u>2022</u>	<u>2021</u>
Purpose restrictions:		
CBO and childcare ministries capital projects	\$ 23,475,590	\$ 18,451,183
COVID-19 Related	40,830	1,396,598
JumpIN initiatives	64,259	377,636
Basic Needs initiatives	659,553	610,087
Family Opportunity initiatives	3,723,317	4,882,686
Undistributed endowment earnings	16,500,582	37,628,632
Other purpose restrictions	881,653	373,734
Endowed funds with retention restrictions:		
Forever Operating Fund	84,868,265	83,696,514
Ellen K. Annala Fund	500,460	500,460
Memorial Fund	5,190,346	5,158,931
Other named funds	659,534	659,534
Time restrictions:		
Future years operating grants	4,420,000	4,410,000
Future years pledges	<u>507,272</u>	<u>2,628,694</u>
	<u>\$ 141,491,661</u>	<u>\$ 160,774,689</u>

8. ASSETS RELEASED FROM RESTRICTION

	<u>2022</u>	<u>2021</u>
Assets with donor restrictions released to assets without donor restrictions for:		
Purpose restrictions satisfied:		
Grants and other contributions	\$ 23,825,924	\$ 30,626,334
Timing restrictions satisfied:		
Community Engagement contributions, net	\$ 5,596,826	\$ 3,035,372

(Continued)

9. RELATED-PARTY TRANSACTIONS

Due to the size and composition of United Way's Board of Directors, United Way inevitably uses services or purchases products from companies from which there is a board member relationship. These transactions occur in the ordinary course of business as arms-length transactions generally at the same terms available to the public with appropriate internal checks and balances; and involve banking, investments, insurance, legal and other similar activities.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in United Way's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Accounting standards establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair value of money market funds, U.S. treasury bills, mutual funds, exchange traded funds, and equities is based on quoted prices in active investment markets. (Level 1)

The fair value of certificates of deposit is based on similar investments over the same period at specific rates. Fair values of bonds and U.S. government obligations have inputs that are observable, but not active and are determined by obtaining quoted market prices of similar securities with similar due dates. This valuation method is the market method. The valuation process is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities. (Level 2)

For private equity, for which there is no active market, United Way uses the net asset value ("NAV") using the market approach, with additional analysis performed by management, as such investments have significant unobservable valuation inputs and are excluded from the valuation hierarchy, pursuant to the adoption of ASU 2015-07, *Fair Value Measurement*. Due to current market conditions as well as the limited trading activity of these securities, the market value of the securities is highly sensitive to assumption changes and market value volatility. However, United Way has the ability to redeem these investments at the fund's NAV on a short term basis.

(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

10. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Assets Measured on a Recurring Basis:

Assets measured at fair value on a recurring basis as of June 30, 2022, are summarized below:

	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total 2022
Money market funds	\$ 13,105,584	\$ -	\$ -	\$ 13,105,584
Certificates of deposit	-	2,135,027	-	2,135,027
U.S. government agency obligations	-	9,713,019	-	9,713,019
U.S. treasury bills	15,088,769	-	-	15,088,769
Municipal bonds	-	1,223,459	-	1,223,459
Corporate bonds	-	22,240,859	-	22,240,859
Mutual funds:				
Fixed income	14,029,135	-	-	14,029,135
Equity	35,904,540	-	-	35,904,540
International bond	59,873	-	-	59,873
International equity	15,502,632	-	-	15,502,632
Bank loans	40,344	-	-	40,344
Domestic equity:				
Industrial	788,378	-	-	788,378
Consumer goods	821,461	-	-	821,461
Financial	2,183,205	-	-	2,183,205
Technology	2,060,077	-	-	2,060,077
Energy & utilities	734,727	-	-	734,727
Health care	2,349,333	-	-	2,349,333
Insurance	476,707	-	-	476,707
International equity	6,417,262	-	-	6,417,262
Exchange traded funds	<u>34,107,660</u>	<u>-</u>	<u>-</u>	<u>34,107,660</u>
 Total	 <u>\$ 143,669,687</u>	 <u>\$ 35,312,364</u>	 <u>\$ -</u>	 178,982,051

Assets measured using at NAV as of June 30, 2022:

Private equity	<u>1,047,047</u>
Total as of June 30, 2022	<u>\$ 180,029,098</u>

The private equity investment valued at NAV is comprised of a single investment in AMG Pantheon Fund, LLC, which is a diversified private equity portfolio, including investments in technology, health care, industrials, and financials, among others. Withdrawals are allowed on a quarterly basis.

(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2022 and 2021

10. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Assets measured at fair value on a recurring basis as of June 30, 2021, are summarized below:

	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total 2021
Money market funds	\$ 35,247,208	\$ -	\$ -	\$ 35,247,208
Certificates of deposit	-	3,679,016	-	3,679,016
U.S. government agency obligations	-	4,498,780	-	4,498,780
U.S. treasury bills	11,875,102	-	-	11,875,102
Municipal bonds	-	1,335,736	-	1,335,736
Corporate bonds	-	20,185,525	-	20,185,525
Mutual funds:				
Fixed income	14,472,212	-	-	14,472,212
Equity	40,028,308	-	-	40,028,308
International bond	99,350	-	-	99,350
International equity	21,204,826	-	-	21,204,826
Bank loans	550,460	-	-	550,460
Domestic equity:				
Industrial	1,365,019	-	-	1,365,019
Consumer goods	1,236,790	-	-	1,236,790
Financial	2,343,423	-	-	2,343,423
Technology	1,995,164	-	-	1,995,164
Energy & utilities	541,843	-	-	541,843
Health care	1,932,737	-	-	1,932,737
Communications	321,878	-	-	321,878
Insurance	402,660	-	-	402,660
International equity	7,842,600	-	-	7,842,600
Exchange traded funds	<u>38,422,411</u>	<u>-</u>	<u>-</u>	<u>38,422,411</u>
Total	<u>\$ 179,881,991</u>	<u>\$ 29,699,057</u>	<u>\$ -</u>	<u>\$ 209,581,048</u>

11. ENDOWMENT COMPOSITION

United Way's endowment consists of seven individual donor-restricted funds established for a variety of purposes, one donor-restricted fund that United Way treats as an endowment, and one Board designated quasi-endowment. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law: The Board of Directors of United Way has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, United Way classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2022 and 2021

11. ENDOWMENT COMPOSITION (Continued)

The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, United Way considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from the investments
- 6) Other resources of the organization
- 7) The investment policies of the organization

Endowment net asset composition by type of fund as of June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted	\$ -	\$ 107,863,565	\$ 107,863,565
Board designated	<u>3,093,322</u>	<u>-</u>	<u>3,093,322</u>
Total funds	<u>\$ 3,093,322</u>	<u>\$ 107,863,565</u>	<u>\$ 110,956,887</u>

Endowment net asset composition by type of fund as of June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted	\$ -	\$ 127,743,925	\$ 127,743,925
Board designated	<u>3,466,756</u>	<u>-</u>	<u>3,466,756</u>
Total funds	<u>\$ 3,466,756</u>	<u>\$ 127,743,925</u>	<u>\$ 131,210,681</u>

Changes in endowment net assets for year ended June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning of year	\$ 3,466,756	\$ 127,743,925	\$ 131,210,681
Investment income (loss):			
Interest income, net of fees	167,279	7,124,092	7,291,371
Realized gains	41,448	832,973	874,421
Unrealized gains (losses)	(582,161)	(21,933,575)	(22,515,736)
Change in CSV	-	43,016	43,016
New gifts	-	31,415	31,415
Appropriation for expenditure	<u>-</u>	<u>(5,978,281)</u>	<u>(5,978,281)</u>
End of year	<u>\$ 3,093,322</u>	<u>\$ 107,863,565</u>	<u>\$ 110,956,887</u>

(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 June 30, 2022 and 2021

11. ENDOWMENT COMPOSITION (Continued)

Changes in endowment net assets for year ended June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning of year	\$ 2,179,401	\$ 99,993,398	\$ 102,172,799
Investment income:			
Interest income, net of fees	61,100	2,718,625	2,779,725
Realized gains	81,558	3,770,349	3,851,907
Unrealized gains	565,185	25,083,883	25,649,068
Change in CSV	-	22,756	22,756
New gifts	579,512	169,241	748,753
Appropriation for expenditure	<u>-</u>	<u>(4,014,327)</u>	<u>(4,014,327)</u>
End of year	<u>\$ 3,466,756</u>	<u>\$ 127,743,925</u>	<u>\$ 131,210,681</u>

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires United Way to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in net assets with donor restrictions were \$66,656 and \$1,277 as of June 30, 2022 and 2021, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred during the previous years. The gross endowment corpus value of these funds was \$400,107 and \$107,883 and the investment value of the funds were \$333,451 and \$106,606 as of June 30, 2022 and 2021, respectively.

Return Objectives and Risk Parameters: United Way has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity, as well as board-designated quasi-endowed funds.

Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to grow the real purchasing power of the principal while providing a growing stream of revenue available for spending. Additionally, there is a donor restriction on the Forever Operating Fund which requires the purchasing power of the fund's principal balance be maintained by annually adjusting the principal balance for inflation or deflation.

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

Spending Policy and How the Investment Objectives Relate to Spending Policy: United Way has a policy of appropriating for distribution each year up to 5% of its Forever Operating Fund's calendar year end fair market value to fund operations in the fiscal year beginning the following July 1. Distributions cannot cause the average fair market value of the fund over the prior 20 quarters to fall below inflation adjusted (compounded annually) original principal. In establishing this policy, United Way considered the long-term expected return on its endowment. Accordingly, over the long term, United Way expects the current spending policy to allow its endowment to grow over the annual inflation rate to provide additional real growth through investment return in addition to new gifts.

(Continued)

UNITED WAY OF CENTRAL INDIANA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

11. ENDOWMENT COMPOSITION (Continued)

The spending policy is used as a guideline and actual allocation amounts are annual decisions that consider current principal balances, undistributed earnings, and current market and economic conditions. Allocations from the Forever Operating Fund must meet donor-imposed restrictions. Those restrictions require the purchasing power of the fund be maintained by adjusting the principal balance (compounded annually) for inflation or deflation. Should the average fair market value of the fund over the prior 12 quarters be less than inflation adjusted principal, the annual allocation amount cannot exceed 2% of the calendar year end fair market value. If the average fair market value over the prior 12 quarters is less than 80% of the inflation adjusted principal, annual allocations must be reduced to \$0 (within three years) until inflation adjusted principal is restored.

For all other endowment funds, United Way has a general policy of appropriating for distribution each year up to 5% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned.

12. LIQUIDITY AND AVAILABILITY

The United Way's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 15,484,998	\$ 12,744,951
Investments	180,029,098	209,581,048
Pledges receivable, net	9,396,768	11,316,167
Grants and other amounts receivable	<u>10,431,098</u>	<u>6,812,831</u>
Total financial assets	215,341,962	240,454,997
Less amounts not available to be used within one year:		
Financial assets designated for board-designated endowments	3,093,322	3,466,756
Financial assets restricted for donor-restricted endowments	107,863,565	127,743,925
Funds held to pay agency capital projects	1,670,166	5,346,722
Funds held to pay donor designations	3,049,931	2,478,606
Financial assets subject to donor restrictions	28,700,824	25,992,070
Financial assets, future years' fundraising	507,272	2,628,694
Financial assets for future years' operating grants	4,420,000	4,410,000
Grants and other amounts receivable, non-current	<u>100,000</u>	<u>200,000</u>
Financial assets not available to be used within one year	<u>149,405,080</u>	<u>172,266,773</u>
Add back funds to be allocated for operations per endowment spending policy within one year	<u>3,705,418</u>	<u>4,816,574</u>
Financial assets available to meet general expenditures within one year	<u>\$ 69,642,300</u>	<u>\$ 73,004,798</u>

As part of the United Way's liquidity management, the United Way invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due. United Way has a board designated endowment of \$3,093,322 and \$3,466,756 as of June 30, 2022 and 2021, respectively. Although United Way does not intend to spend from its board designated endowment funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board designated endowment could be made available if necessary. United Way has donor restricted endowment funds of \$107,863,565 and \$127,743,925 as of June 30, 2022 and 2021, respectively, which are subject to the annual spending policy as described in Note 11.

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UNITED WAY OF CENTRAL INDIANA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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13. MERGER WITH UNITED WAY OF PUTNAM COUNTY

On April 29, 2021, the United Way of Putnam County (UWPC) merged with United Way. The purpose of the merger was to streamline operations among contiguous service areas and maximize impact for residents in need in Putnam County. United Way is the surviving merged entity and the operating results of both organizations have been included in these financial statements since the date of the merger. The following table shows the assets, liabilities and net assets of UWPC as of the merger date:

Assets Acquired	
Cash	\$ 78,534
Beneficial interest in assets held by Putnam County Community Foundation	609,954
Other assets	<u>3,375</u>
Total assets acquired	691,863
Liabilities Assumed	
Accrued expenses and other liabilities	<u>9,172</u>
Total liabilities assumed	9,172
Net Assets Acquired	
Without donor restriction - quasi-endowment	579,512
Without donor restriction	29,501
With donor restriction	<u>73,678</u>
Total net assets acquired	<u>\$ 682,691</u>