

Financial Statements

**UNITED WAY OF ALLEN COUNTY, INC.**

*Years ended June 30, 2022 and 2021  
with Independent Auditor's Report*

United Way of Allen County, Inc.

Financial Statements

Years ended June 30, 2022 and 2021

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## Independent Auditor's Report

The Board of Directors  
United Way of Allen County, Inc.

### **Opinion**

We have audited the accompanying financial statements of United Way of Allen County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 United Way of Allen County, Inc. (UWAC) as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UWAC 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 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 UWAC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

*Haines, Asenbarger & Skiba, LLC*

Fort Wayne, Indiana  
August 19, 2022

United Way of Allen County, Inc.

Statements of Financial Position

	June 30	
	2022	2021
<b>Assets</b>		
Cash and cash equivalents	\$ 65,599	\$ 535,595
Contributions receivable, net of allowance of \$111,600 in 2022 and \$117,800 in 2021	786,051	993,219
Grants and pledges receivable	317,908	635,009
Prepaid expenses	30,685	17,768
Investments, at fair value	2,153,068	2,770,686
Property and equipment:		
Leasehold improvements	28,913	28,913
Furniture and equipment	143,467	140,153
	<u>172,380</u>	<u>169,066</u>
Less accumulated depreciation	161,635	154,221
Total property and equipment, net	<u>10,745</u>	<u>14,845</u>
Other assets:		
Right of use assets	636,275	-
Beneficial interest in perpetual trust	157,949	186,631
Contributions receivable from remainder trust	206,886	274,492
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	1,289,213	1,479,721
Cash surrender value of life insurance	929	10,035
Total other assets	<u>2,291,252</u>	<u>1,950,879</u>
Total assets	<u>\$ 5,655,308</u>	<u>\$ 6,918,001</u>
<b>Liabilities and net assets</b>		
Line of credit	\$ 200,000	\$ -
Accounts payable	129,349	211,928
Accrued payroll and benefits	116,643	101,976
Designations payable, net of allowance of \$6,016 in 2022 and \$5,345 in 2021	167,191	182,682
Lease liabilities	636,275	-
Refundable advance	-	234,563
Total liabilities	<u>1,249,458</u>	<u>731,149</u>
Net assets:		
Without donor restrictions	2,599,451	4,128,533
With donor restrictions	1,806,399	2,058,319
Total net assets	<u>4,405,850</u>	<u>6,186,852</u>
Total liabilities and net assets	<u>\$ 5,655,308</u>	<u>\$ 6,918,001</u>

See accompanying notes.

United Way of Allen County, Inc.

Statements of Activities and Changes in Net Assets

	Year ended June 30					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenues and gains:						
Campaign contributions	\$ 2,376,039	\$ 106,349	\$ 2,482,388	\$ 2,589,328	\$ 12,816	\$ 2,602,144
Donor designations	(356,399)	-	(356,399)	(579,849)	-	(579,849)
Provision for uncollectible pledges	(111,600)	-	(111,600)	(117,800)	-	(117,800)
Campaign contributions, net	1,908,040	106,349	2,014,389	1,891,679	12,816	1,904,495
Program funding, grants and other contributions	38,184	851,213	889,397	3,497	3,279,278	3,282,775
Administrative and service fees	15,928	-	15,928	30,344	-	30,344
Special events, net of expenses	-	-	-	-	14,362	14,362
Net investment return	(292,986)	-	(292,986)	509,842	-	509,842
Change in value of beneficial interest in perpetual trust	-	(28,682)	(28,682)	-	26,507	26,507
Change in value of contributions receivable from remainder trust	-	(67,606)	(67,606)	-	33,362	33,362
Gain (loss) on beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	(25,680)	(71,085)	(96,765)	108,347	297,051	405,398
Change in value of cash surrender value of life insurance	(9,106)	-	(9,106)	(7,882)	-	(7,882)
Other income	1,414	-	1,414	5,726	-	5,726
	(272,246)	683,840	411,594	649,874	3,650,560	4,300,434
Net assets released from restrictions	1,042,109	(1,042,109)	-	4,389,168	(4,389,168)	-
Total support, revenues and gains	2,677,903	(251,920)	2,425,983	6,930,721	(725,792)	6,204,929
Expenses:						
Program services	3,458,953	-	3,458,953	5,916,135	-	5,916,135
Management and general	159,628	-	159,628	152,037	-	152,037
Resource development	588,404	-	588,404	584,377	-	584,377
Total expenses	4,206,985	-	4,206,985	6,652,549	-	6,652,549
Increase (decrease) in net assets	(1,529,082)	(251,920)	(1,781,002)	278,172	(725,792)	(447,620)
Net assets at beginning of year	4,128,533	2,058,319	6,186,852	3,850,361	2,784,111	6,634,472
Net assets at end of year	\$ 2,599,451	\$ 1,806,399	\$ 4,405,850	\$ 4,128,533	\$ 2,058,319	\$ 6,186,852

See accompanying notes.

United Way of Allen County, Inc.

Statements of Functional Expenses

	Year ended June 30							
	2022				2021			
	Program Services	Management and General	Resource Development	Total	Program Services	Management and General	Resource Development	Total
Salaries and wages	\$ 549,415	\$ 46,030	\$ 308,782	\$ 904,227	\$ 567,826	\$ 33,841	\$ 329,106	\$ 930,773
Employee benefits	116,506	16,716	65,793	199,015	117,706	3,062	68,576	189,344
Total salaries and benefits	665,921	62,746	374,575	1,103,242	685,532	36,903	397,682	1,120,117
Community investment	2,330,191	12	37	2,330,240	4,808,248	-	91	4,808,339
Advertising and promotion	49,351	4,345	12,779	66,475	39,702	2,758	8,112	50,572
Depreciation	5,044	910	2,677	8,631	9,065	1,636	4,812	15,513
Equipment rental and maintenance	5,279	2,707	2,943	10,929	9,688	1,048	3,087	13,823
Insurance	7,952	1,435	4,221	13,608	7,891	1,638	5,234	14,763
Dues and subscriptions	58,936	10,543	31,678	101,157	53,802	9,311	31,321	94,434
Miscellaneous	96	2,094	51	2,241	-	186	-	186
Occupancy	55,954	10,099	29,701	95,754	40,400	6,306	28,395	75,101
Postage	911	223	484	1,618	1,168	259	995	2,422
Printing and publications	2,709	290	1,259	4,258	504	96	210	810
Professional services	164,352	44,575	60,977	269,904	143,367	74,817	47,718	265,902
Public events	17,065	148	16,219	33,432	11,076	-	58,749	69,825
Supplies	634	890	324	1,848	1,825	906	997	3,728
Technology and telephone	59,792	8,674	28,326	96,792	54,100	7,192	28,997	90,289
Travel and training	34,766	9,937	22,153	66,856	49,767	8,981	26,064	84,812
Total expenses allocated functionally	3,458,953	159,628	588,404	4,206,985	5,916,135	152,037	642,464	6,710,636
Less: Special events direct expenses	-	-	-	-	-	-	(58,087)	(58,087)
Expenses for statement of activities	<u>\$3,458,953</u>	<u>\$ 159,628</u>	<u>\$ 588,404</u>	<u>\$4,206,985</u>	<u>\$5,916,135</u>	<u>\$ 152,037</u>	<u>\$ 584,377</u>	<u>\$6,652,549</u>

See accompanying notes.

United Way of Allen County, Inc.

Statements of Cash Flows

	<b>Year ended June 30</b>	
	<b>2022</b>	<b>2021</b>
<b>Operating activities</b>		
Decrease in net assets	\$ (1,781,002)	\$ (447,620)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	8,631	15,513
Provision for uncollectible pledges	111,600	117,800
Realized and unrealized (gain) loss on investments	317,126	(483,604)
Gain on disposal of fixed assets	(203)	(5,726)
Change in value of beneficial interest in perpetual trust	28,682	(26,507)
Change in value of contributions receivable from remainder trust	67,606	(33,362)
Change in value of beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	96,765	(405,398)
Changes in operating assets and liabilities:		
Contributions receivable, net	95,568	(58,471)
Grants and pledges receivable	317,101	(635,009)
Other receivables	-	4,959
Prepaid expenses	(12,917)	(1,690)
Cash surrender value of life insurance	9,106	7,882
Accounts payable	(82,579)	(288,648)
Accrued payroll and benefits	14,667	10,658
Designations payable, net	(15,491)	(18,533)
Refundable advance	(234,563)	(237)
Deferred rent	-	(28,791)
Cash used in operating activities	<b>(1,059,903)</b>	<b>(2,276,784)</b>
<b>Investing activities</b>		
Purchases of property and equipment	(4,728)	(4,893)
Proceeds from sale of fixed assets	400	11,000
Purchases of investments	(40,462)	(500,499)
Proceeds from grants from CFGFW	93,743	-
Proceeds from the sale and maturities of investments	340,954	473,586
Cash provided by (used in) investing activities	<b>389,907</b>	<b>(20,806)</b>
<b>Financing activities</b> —proceeds from line of credit borrowings	<b>200,000</b>	<b>-</b>
Decrease in cash and cash equivalents	(469,996)	(2,297,590)
Cash and cash equivalents at beginning of year	535,595	2,833,185
Cash and cash equivalents at end of year	<b>\$ 65,599</b>	<b>\$ 535,595</b>

See accompanying notes.



# United Way of Allen County, Inc.

## Notes to Financial Statements

June 30, 2022

### 1. Organization

The Mission of United Way of Allen County (UWAC) is to:

*Boldly impact critical community issues with a vision of effectively transforming our community through measurable impact.*

At United Way of Allen County, we exist to boldly impact critical community issues. Previously, we funded agencies doing great work that aligned with our mission. Effective July 1, 2022, we have shifted to a collective impact model. Our priorities are:

1. Educational Opportunities: Advocate for a holistic approach to address educational opportunities beginning in early childhood through post-secondary education. Education serves as a tool to break the cycle of poverty and contributes to a strong foundation for future learning, college completion rates, and employability.
2. Food Security: Prioritize financial support to ensure food support in time of need and access to nutritious food in every neighborhood.
3. Housing Stability: Prioritize financial support to ensure stable, affordable, safe, and decent housing for Allen County residents. To help individuals strengthen credit scores, achieve financial stability, and afford adequate housing. United Way works to eliminate predatory loan practices and expand programs that improve financial wellness.
4. Mental Health Access: Prioritize access to affordable, quality healthcare, and investments in public health. These strategies will help address rising health care costs and underlying behaviors and conditions, including those impacting mental health, that lead to growing disparities in health outcomes for our neighbors. We will work to eliminate the stigma associated with mental health conditions that sometimes prevent residents from seeking the help they need.

These were determined through a strategic planning process that began in October 2020 that involved extensive qualitative and quantitative data analysis involving community conversations, a statistically valid survey, community leaders, subject matter experts, and those with lived experience.

While we still fund some agencies, nearly fifty percent of our budget will go towards initiatives that involve collaborative agencies all working together for one common goal. United Way also has a history of coordinating and sponsoring initiatives that are designed to serve low-income and underserved populations. Through the aforementioned process, four strategic priority areas were identified for the success of the community.

When we succeed, our entire community wins.

# United Way of Allen County, Inc.

## Notes to Financial Statements (continued)

### **1. Organization (continued)**

By bringing people and organizations together to develop holistic strategies and make smart, outcome-driven investments in our county, we recognize the greater positive impact to Allen County residents every day. UNITED we win. United, we can find a way. We lead advocacy campaigns to give a voice to those who can't speak for themselves, and we mobilize volunteers, helping individuals and companies change their community. Together, United, we have the power to bring about positive change within our neighborhoods and improve the lives of those who work and live in Allen County. This multi-faceted approach reflects the collaborative spirit of the place we call home. It also addresses the systemic problems that still plague so many of our neighbors. Most importantly, it helps them leverage the impact of every dollar donated.

UWAC conducts annual campaigns to support the wellbeing of the community. The annual campaign is generally recorded without donor restrictions unless a pledge is specifically restricted due to timing (a future year pledge). UWAC allows donors the choice to designate all or part of their contributions.

UWAC is incorporated as a nonprofit organization, exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contribution deduction. UWAC has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. UWAC is also exempt from state income taxes.

However, UWAC is subject to federal income tax on any unrelated business taxable income. UWAC provides liabilities for uncertain tax positions when a liability is probable and estimable. Management believes that it has appropriate support for any tax positions it has taken or expects to take and as such, does not have any uncertain tax positions that should be recognized, measured or disclosed in the financial statements. Management believes UWAC is no longer subject to examination by tax authorities for years before June 30, 2019.

### **2. Summary of Significant Accounting Policies**

#### **Cash and Cash Equivalents**

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. All cash and cash equivalents are held at local financial institutions. UWAC periodically has cash accounts with balances in excess of federally insured limits.

United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Investments**

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, UWAC's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See *Note 8* for discussion of fair value measurements.

Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Capital gain distributions are included in dividend income.

Net realized and unrealized investment gains or losses are determined by comparison of asset cost, using the specific identification method, to net proceeds received at the time of sale and changes in the difference between market values and cost, respectively.

Net investment return (loss) is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investments expenses.

UWAC's investment portfolio consists of a diverse mix of investments, without concentration of risk by type, industry or geographic area, which are managed by professional investment managers in compliance with the investment policy established by the Board of Directors.

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect account balances.

**Property and Equipment**

Property and equipment are stated at cost or if donated, at fair market value at date of donation. Items with a cost of \$1,000 or more and a useful life of one year or more are capitalized. Leasehold improvements are depreciated over the lesser of the lease term or their estimated useful life. Furniture and equipment is depreciated over their estimated useful life. Depreciation is computed by the straight-line method over the following periods:

Leasehold improvements	15 years
Furniture and equipment	3 – 10 years

Expenses for normal repairs and maintenance are expensed as incurred.

United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Leases**

UWAC determines if an arrangement is a lease at contract inception. Arrangements that are leases with an initial term of 12 months or less are not recorded in the statement of financial position, and UWAC recognizes lease expense on a straight-line basis over the lease term. If leased assets have leasehold improvements, the depreciable life of those leasehold improvements are limited by the expected lease term.

Because its lease agreements do not provide an implicit discount rate, UWAC uses its incremental borrowing rate at the lease commencement date in determining the present value of the lease payments. UWAC's incremental borrowing rate was 4.75 percent and 3.75 percent at June 30, 2022 and 2021, respectively.

**Net Assets**

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both. If a donor restriction expires in the same reporting period that the contribution was made, such contribution is reported as an unrestricted contribution in the statements of activities and changes in net assets.

## United Way of Allen County, Inc.

### Notes to Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

##### **Contributions and Contributions, Grants and Pledges Receivable**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. During the year ended June 30, 2021, UWAC was awarded a conditional grant from Indiana United Ways (IUW) in the amount of \$500,000 that provided support to increase participation levels as well as levels of contributions. Qualifying activity reported to IUW resulted in conditional grant funds being recognized in the financial statements in the amount of \$500,000 during the year ended June 30, 2021. UWAC received a Paycheck Protection Program loan from the Small Business Administration during the year ended June 30, 2020. Management recognized \$234,800 in contribution revenue for the year ended June 30, 2021. UWAC received a second Paycheck Protection Program loan from the Small Business Administration during the year ended June 30, 2021. The second loan was fully forgiven during the year ended June 30, 2022. Accordingly, UWAC recorded contribution revenue of \$234,563 when the loan was forgiven.

Contributions of assets other than cash are recorded at their fair market value.

Contributions of services are recognized as revenue if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation.

Unconditional promises or pledges are recorded at net realizable value. UWAC provides an allowance for uncollectible pledges, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Contributions receivable are ordinarily due in accordance with the pledge commitment made by the donor. All contributions receivable at June 30, 2022 and 2021 were due in less than one year.

##### **Community and Funded Partner Investment**

Agency investments are contingent upon actual campaign results. Investments in funded partner non-profit agencies are determined by volunteers. These investments are based upon programmatic and agency outcomes and are reviewed annually by volunteers. The actual amounts invested are expensed as paid.

## United Way of Allen County, Inc.

### Notes to Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

##### **Designations**

Designations to specific nonprofit organizations other than UWAC are excluded from contribution revenue and allocation expenses. Designations are included within pledge receivable without donor restrictions totals with a related offsetting liability without donor restrictions. The cost to generate and distribute designated pledges is recorded as fundraising expense and the costs are deducted from designated contributions as the funds are disbursed. This cost reimbursement is recorded as administrative fee income. All designations are treated as first-in dollars and are included in UWAC's Funded Partners' annual grant allocations. Total donor designations that exceed the allocated amount to a funded partner will be given in addition to that funded partner's allocation.

##### **Use of Estimates**

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

##### **Functional Expenses**

The cost of providing the program and other activities has been summarized on a functional basis in the accompanying statements of activities and changes in net assets. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, certain professional services, supplies, information technology, insurance and other expenses, which are allocated on the basis of time and effort.

##### **Reclassification**

Certain amounts as of and for the year ended June 30, 2021 have been reclassified to conform with the presentation as of and for the year ended June 30, 2022.

United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Recently Adopted Accounting Standards**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, to require a lessee to recognize a right-of-use asset and a lease liability for both operating and finance leases, whereas previous U.S. GAAP require the asset and liability be recognized only for capital leases. UWAC adopted ASU 2016-02 on July 1, 2021. As part of the implementation process, UWAC elected the package of practical expedients and to not separate lease and non-lease components for all leases. The cumulative effect of initially applying the new standard resulted in the addition of \$117,237 of right of use assets and lease liabilities.

In September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 clarifies the presentation and disclosure of contributed nonfinancial assets, including land, buildings and other items. This standard is intended to enhance the presentation and disclosures of these items; however, the recognition and measurement requirements for these nonfinancial assets remain unchanged in Accounting Standards Codification (ASC) 958-605. ASU 2020-07 is effective for UWAC for the year ended June 30, 2022 and was adopted by management on a retrospective basis. There was no impact on the statements of financial position as of June 30, 2022 or 2021.

**3. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<b>Year ended June 30</b>	
	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 65,599	\$ 535,595
Contributions receivable, net	786,051	993,219
Grants and pledges receivable	317,908	635,009
Investments, at fair value	<u>2,153,068</u>	<u>2,770,686</u>
	<b>3,322,626</b>	<b>4,934,509</b>
Less contractual or donor-imposed restrictions on financial assets making them unavailable to general expenditure	<u>(493,288)</u>	<u>(498,753)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><b>\$ 2,829,338</b></u>	<u><b>\$ 4,435,756</b></u>

## United Way of Allen County, Inc.

### Notes to Financial Statements (continued)

#### **3. Liquidity and Availability (continued)**

UWAC manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that obligations will be discharged. As part of its liquidity management plan, UWAC has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations become due. It invests cash in excess of daily requirements in short-term investments, including savings accounts.

UWAC maintains a \$200,000 line of credit facility with a local bank as discussed in more detail in *Note 14*. As of June 30, 2022 UWAC had utilized all \$200,000 of the line of credit and had no further amount remaining.

#### **4. Beneficial Interest in Perpetual Trust**

UWAC has a beneficial interest in a perpetual trust administered by an outside party. Pursuant to the terms of the trust, UWAC has the irrevocable right to receive income earned on the trust assets in perpetuity, but will never receive the assets held in trust. Distributions from the perpetual trust are recorded as donor restricted income. The estimated value of UWAC's beneficial interest in the perpetual trust was \$157,949 and \$186,631 at June 30, 2022 and 2021, respectively. The change in the estimated value is recorded in net assets with donor restrictions as a gain or loss in the beneficial interest in perpetual trust.

#### **5. Contributions Receivable from Remainder Trust**

UWAC is also a beneficiary pursuant to a charitable remainder trust administered by an outside party. Pursuant to the terms of the trust, UWAC has the irrevocable right to receive the net assets of the trust at the end of the trust's term. The portion of the trust attributable to the future interest of UWAC is recorded in the statements of financial position as a contribution receivable from remainder trust. The contribution receivable from this remainder trust is recorded at the present value of the expected future cash flows using applicable mortality tables and a discount rate of 3.6 percent at June 30, 2022. The estimated value of the expected future cash flows is \$206,886 and \$274,492 at June 30, 2022 and 2021, respectively.



United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**6. Beneficial Interest in Funds Held by the  
Community Foundation of Greater Fort Wayne Inc.**

The beneficial interest in the funds held and invested by the Community Foundation of Greater Fort Wayne Inc. (Community Foundation) is the result of an agreement whereby UWAC has transferred assets to the Community Foundation and UWAC benefits from those assets. UWAC is allocated its funds' proportionate share of the Community Foundation's pooled funds' investment returns on an annual basis. UWAC may draw up to a certain percent of the value of the funds each year, subject to certain conditions and limitations, but may only obtain a return of the full value of the assets upon consent of the Community Foundation. The cumulative amount of the retained beneficial interest in funds held by the Community Foundation included in the statements of financial position was \$1,289,213 and \$1,479,721 at June 30, 2022 and 2021.

Amounts invested in the Community Foundation's pooled investment funds are exposed to a variety of uncertainties, including interest rate, market volatility and credit risks. Due to the level of risk associated with certain investments in the pooled fund, it is possible that changes in the values of these investments may occur in the near term. Such changes could materially affect the amounts reported in UWAC's financial statements.

Additionally, donors have also contributed funds for the benefit of UWAC to the Community Foundation. At June 30, 2022 and 2021, the fair market value of the funds was \$152,007 and \$173,128, respectively. UWAC is precluded from recognizing these assets in UWAC's statements of financial position because of the explicitly granted variance power held by the Community Foundation. Accordingly, UWAC only recognizes its annual grants by the Community Foundation from these funds as contributions.

**7. Net Investment Return**

The composition of investment return recognized in the statements of activities and changes in net assets is as follows:

	<b>Year ended June 30</b>	
	<b>2022</b>	<b>2021</b>
Net investment return:		
Interest and dividends	\$ 40,094	\$ 41,964
Net realized gain on investments	42,870	91,494
Net unrealized gain (loss) on investments	(359,996)	391,410
	<b>(277,032)</b>	524,868
Less investment management and custodial fees	(15,954)	(15,026)
Net investment return	<b>\$ (292,986)</b>	<b>\$ 509,842</b>

United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**8. Fair Value Measurements**

FASB ASC Topic 820 (ASC 820), *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that UWAC has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

*Money market funds:* Valued at quoted market prices in an exchange and active market, which represent the net asset values of shares held by UWAC at year-end.

United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**8. Fair Value Measurements**

*Mutual funds and exchange traded funds:* Valued at the daily closing price. Mutual funds held by UWAC are open-end funds that are registered with the Securities and Exchange Commission. The mutual funds and exchange traded funds held by UWAC are deemed to be actively traded.

*Beneficial interest in perpetual trust and contribution receivable from remainder trust:* Based on a valuation model that calculates the present value of estimated distributed income. The valuation model incorporates assumptions that market participants would use in estimating future distributed income. UWAC is able to compare the valuation model inputs and results to widely available published industry data for reasonableness.

*Beneficial interest in funds held by the Community Foundation:* Valued based upon UWAC's proportionate share of the Community Foundation's pooled investment portfolio, as reported by the Community Foundation at year-end. UWAC's finance committee reviews the valuations and returns in comparison to industry benchmarks and other information provided by the Community Foundation.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while UWAC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**8. Fair Value Measurements (continued)**

The following sets forth by level, within the fair value hierarchy, UWAC's assets at fair value:

	<b>Assets at Fair Value at June 30, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Money market funds</b>	\$ 43,886	\$ -	\$ -	\$ 43,886
<b>Exchange traded and mutual funds</b>				
Equity funds:				
Consumer discretionary	62,553	-	-	62,553
Consumer staples	42,803	-	-	42,803
Energy	26,101	-	-	26,101
Financial	66,108	-	-	66,108
Health care	92,718	-	-	92,718
Industrial	49,696	-	-	49,696
Technology	175,553	-	-	175,553
Materials	14,647	-	-	14,647
Real estate	15,649	-	-	15,649
Communications	54,162	-	-	54,162
Utilities	17,462	-	-	17,462
Large-cap equity	356,608	-	-	356,608
Developed markets	132,559	-	-	132,559
Mid-cap equities	105,701	-	-	105,701
Small-cap equities	64,306	-	-	64,306
Diversified emerging markets	39,359	-	-	39,359
	<b>1,315,985</b>	<b>-</b>	<b>-</b>	<b>1,315,985</b>
Fixed income funds:				
Intermediate-term bonds	498,291	-	-	498,291
Short-term bonds	294,906	-	-	294,906
	<b>793,197</b>	<b>-</b>	<b>-</b>	<b>793,197</b>
Total exchange traded and mutual funds	<b>2,109,182</b>	<b>-</b>	<b>-</b>	<b>2,109,182</b>
Total investments at fair value	<b>2,153,068</b>	<b>-</b>	<b>-</b>	<b>2,153,068</b>
Beneficial interest in perpetual trust	-	157,949	-	157,949
Contribution receivable from remainder trust	-	206,886	-	206,886
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	-	-	1,289,213	1,289,213
Total other assets at fair value	<b>-</b>	<b>364,835</b>	<b>1,289,213</b>	<b>1,654,048</b>
Total assets at fair value	<b>\$ 2,153,068</b>	<b>\$ 364,835</b>	<b>\$ 1,289,213</b>	<b>\$ 3,807,116</b>

United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**8. Fair Value Measurements (continued)**

The following sets forth by level, within the fair value hierarchy, UWAC's assets at fair value:

	Assets at Fair Value at June 30, 2021			
	Level 1	Level 2	Level 3	Total
<b>Money market funds</b>	\$ 59,408	\$ -	\$ -	\$ 59,408
<b>Exchange traded and mutual funds</b>				
Equity funds:				
Consumer discretionary	81,240	-	-	81,240
Consumer staples	41,492	-	-	41,492
Energy	22,572	-	-	22,572
Financial	84,240	-	-	84,240
Health care	99,626	-	-	99,626
Industrial	65,843	-	-	65,843
Technology	203,918	-	-	203,918
Materials	16,380	-	-	16,380
Real estate	16,978	-	-	16,978
Communications	80,808	-	-	80,808
Utilities	17,262	-	-	17,262
Large-cap equity	513,750	-	-	513,750
Developed markets	167,388	-	-	167,388
Mid-cap equities	199,572	-	-	199,572
Small-cap equities	82,768	-	-	82,768
Diversified emerging markets	51,323	-	-	51,323
	<u>1,745,160</u>	-	-	<u>1,745,160</u>
Fixed income funds:				
Intermediate-term bonds	650,398	-	-	650,398
Short-term bonds	315,720	-	-	315,720
	<u>966,118</u>	-	-	<u>966,118</u>
Total exchange traded and mutual funds	<u>2,711,278</u>	-	-	<u>2,711,278</u>
Total investments at fair value	<u>2,770,686</u>	-	-	<u>2,770,686</u>
Beneficial interest in perpetual trust	-	186,631	-	186,631
Contribution receivable from remainder trust	-	274,492	-	274,492
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	-	-	1,479,721	1,479,721
Total other assets at fair value	-	461,123	1,479,721	1,940,844
Total assets at fair value	<u>\$ 2,770,686</u>	<u>\$ 461,123</u>	<u>\$ 1,479,721</u>	<u>\$ 4,711,530</u>

United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**8. Fair Value Measurements (continued)**

The table below sets forth a summary of changes in the fair value of UWAC's Level 3 assets:

	<b>Year ended June 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at beginning of year	<b>\$ 1,479,721</b>	\$ 1,074,323
Interest and dividend income	<b>49,531</b>	30,315
Net unrealized gain (loss)	<b>(180,024)</b>	377,148
Net realized gain on sale of securities	<b>39,962</b>	3,647
Grants	<b>(93,743)</b>	-
Investment fees	<b>(2,932)</b>	(2,628)
Administrative fees	<b>(3,302)</b>	(3,084)
Change in value of beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	<b>(190,508)</b>	405,398
Balance at end of year	<b><u>\$ 1,289,213</u></b>	<u>\$ 1,479,721</u>

**9. Endowment Funds**

ASC 958, *Not-for-Profit Entities*, requires certain net asset classification changes for institutional endowment funds under Uniform Prudent Management of Institutional Funds Act (UPMIFA). Effective July 1, 2007, the Indiana General Assembly adopted UPMIFA.

UWAC's endowment (Endowment) primarily consists of three funds held at the Community Foundation. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. In addition, the Endowment also includes a perpetual trust and a remainder trust that are administered by outside parties. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**9. Endowment Funds (continued)**

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

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds:			
Beneficial interest in perpetual trust	\$ -	\$ 157,949	\$ 157,949
Contributions receivable from remainder trust	-	206,886	206,886
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	-	948,277	948,277
	-	<b>1,313,112</b>	<b>1,313,112</b>
Board-designated endowment funds:			
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	<b>340,936</b>	-	<b>340,936</b>
Total funds	<b>\$ 340,936</b>	<b>\$ 1,313,112</b>	<b>\$ 1,654,048</b>

Changes in endowment net assets for the year ended June 30, 2022, is as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets at beginning of year	\$ 391,570	\$ 1,549,274	\$ 1,940,844
Gain (loss) on beneficial interest in by the Community Foundation of Greater Fort Wayne Inc.	(25,680)	(71,085)	(96,765)
Change in value of beneficial interest in perpetual trust	-	(28,682)	(28,682)
Change in value of contributions receivable from remainder trust	-	(67,606)	(67,606)
Amounts appropriated for expenditure from endowment	(24,954)	(68,789)	(93,743)
Endowment net assets at end of year	<b>\$ 340,936</b>	<b>\$ 1,313,112</b>	<b>\$ 1,654,048</b>

United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**9. Endowment Funds (continued)**

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

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds:			
Beneficial interest in perpetual trust	\$ -	\$ 186,631	\$ 186,631
Contributions receivable from remainder trust	-	274,492	274,492
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	-	1,088,151	1,088,151
	-	1,549,274	1,549,274
Board-designated endowment funds:			
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	391,570	-	391,570
Total funds	<u>\$ 391,570</u>	<u>\$ 1,549,274</u>	<u>\$ 1,940,844</u>

Changes in endowment net assets for the year ended June 30, 2021, is as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets at beginning of year	\$ 283,223	\$ 1,192,354	\$ 1,475,577
Gain on beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	108,347	297,051	405,398
Change in value of beneficial interest in perpetual trust	-	26,507	26,507
Change in value of contributions receivable from remainder trust	-	33,362	33,362
Endowment net assets at end of year	<u>\$ 391,570</u>	<u>\$ 1,549,274</u>	<u>\$ 1,940,844</u>



## United Way of Allen County, Inc.

### Notes to Financial Statements (continued)

#### **9. Endowment Funds (continued)**

##### **Interpretation of Relevant Law**

The Board of Directors of UWAC has interpreted UPMIFA 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 stipulation to the contrary. As a result of this interpretation, UWAC retains in perpetuity (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts to the Endowment and (c) accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, UWAC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of UWAC and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation (depreciation) of investments.
- Other resources of UWAC.
- The investment policies of UWAC.

##### **Return Objectives and Risk Parameters**

UWAC has adopted investment and spending policies for the Endowment 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 funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of certain investment benchmark indices while assuming a moderate level of investment risk. UWAC expects its endowment funds, over time, to provide an average rate of return while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

##### **Strategies Employed for Achieving Objectives**

The purpose of the Endowment Fund is to facilitate donors' desires to make substantial long-term gifts to the community and to develop a new and significant source of revenue for UWAC. In so doing, the Endowment will provide a secure, long-term source of funds to: (i) stabilize

United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**9. Endowment Funds (continued)**

**Strategies Employed for Achieving Objectives (continued)**

agency funding during periods of below normal annual campaigns; (ii) fund special grants; (iii) ensure long-term growth; (IV) enhance our ability to meet changing community needs in both the short and long-term and (v) support the administrative expenses of UWAC as deemed appropriate.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

UWAC's Board of Directors has approved a spending policy whereby in the year following the attainment of the initial disbursement restriction of \$1 million and in all subsequent years, distributions will be limited to the lesser of 6 percent of the market value of the Endowment balance at year-end, or 90 percent of annual investment income (defined as dividends, interest and both realized and unrealized securities appreciation). Within these parameters, the amount of the disbursement shall be determined annually by the UWAC Board of Directors, who may also elect to take no distribution in any given year.

Endowment Fund principal, unless otherwise directed by the donor, shall not be disbursed except for emergency situations. In order to make a principal disbursement, a two-thirds majority vote by the UWAC Board of Directors will be required.

**10. Net Assets**

Net assets without donor restrictions are as follows:

	<b>June 30</b>	
	<b>2022</b>	<b>2021</b>
Board designated for endowment	\$ 340,936	\$ 391,570
Undesignated	<u>2,258,515</u>	<u>3,736,963</u>
	<u>\$ 2,599,451</u>	<u>\$ 4,128,533</u>

United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**10. Net Assets (continued)**

Net assets with donor restriction are restricted for the following purposes and periods:

	<b>June 30</b>	
	<b>2022</b>	<b>2021</b>
Subject to expenditure for specific purpose:		
Emergency Relief Initiative	\$ -	\$ 365,787
Strong Neighborhoods	<b>100,633</b>	109,422
Diversity, equity and inclusion	-	16,601
Education initiatives	<b>284,427</b>	2,811
VITA	<b>21,737</b>	-
Other	<b>1,400</b>	4,007
Accumulated operating endowment earnings	<b>412,768</b>	552,743
	<b>820,965</b>	1,051,371
Subject to passage of time:		
Future campaign	<b>85,092</b>	10,518
	<b>906,057</b>	1,061,889
Restricted in perpetuity	<b>900,342</b>	996,430
	<b>\$ 1,806,399</b>	<b>\$ 2,058,319</b>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donor or by the occurrence of the passage of time were \$1,042,109 in 2022 and \$4,389,168 in 2021.

**11. Lease Commitments**

UWAC leases an office building pursuant to an operating lease agreement which expires on October 31, 2022. During the year ended June 30, 2022, UWAC entered into an operating lease agreement for office space which commences on February 1, 2023 and expires on January 31, 2033. Rental expense for office space for the years ended June 30, 2022 and 2021 was \$90,000 and \$70,842, respectively.

UWAC leases equipment pursuant to month-to-month operating lease arrangements. Rental expense for these leases for the years ended June 30, 2022 and 2021 was \$8,988 and \$9,587, respectively.

United Way of Allen County, Inc.

Notes to Financial Statements (continued)

**11. Lease Commitments (continued)**

At June 30, 2022 UWAC has no financing leases. The undiscounted annual future minimum lease payments related to its right of use assets are summarized below:

Year ended June 30, 2023	\$ 61,721
Year ended June 30, 2024	76,130
Year ended June 30, 2025	76,130
Year ended June 30, 2026	76,130
Year ended June 30, 2027	76,130
Thereafter	<u>448,517</u>
Total lease payments	814,759
Less interest	<u>178,484</u>
Present value of lease liabilities	<u>\$ 636,275</u>

**12. Employee Retirement Plan**

UWAC sponsors a Section 403(b) defined-contribution plan for the benefit of substantially all of its employees, which allows for both employee and employer contributions. UWAC's contribution consists of a Board-established contribution of eligible compensation, at a rate of 2 percent for the year ended June 30, 2022. UWAC also contributes a matching contribution of 50 percent of employee contributions, up to 4 percent of eligible employee compensation. UWAC's cash contributions to the plan were \$32,005 and \$22,686 for the years ended June 30, 2022 and 2021, respectively.

**13. Related Party Transactions**

Certain members of the Board of Directors are employed by organizations that have provided banking, legal and other services for UWAC. The fees received or paid for these services were based on customary and reasonable rates for such services.

UWAC has outsourced pledge processing services to UniFi Solutions, an operating program of IUW. The fees paid for these services for the years ended June 30, 2022 and 2021 were \$51,918 and \$44,016, respectively. UWAC also paid IUW fees of \$42,500 for digital services for the years ended June 30, 2021, and are included in professional fees in the statements of functional expenses.

## United Way of Allen County, Inc.

### Notes to Financial Statements (continued)

#### **13. Related Party Transactions (continued)**

UWAC pays annual dues to United Way Worldwide, the leadership and support organization for the network of nearly 1,800 community based United Ways across more than 40 countries and territories worldwide. Those dues are used to help underwrite television advertising, defray the costs of marketing and campaign materials used locally, and support training of United Way staff. Dues expense for the years ended June 30, 2022 and 2021 was \$71,442 and \$60,968, respectively. UWAC also pays membership dues to IUW; these dues amounted to \$25,666 and \$27,995 for the years ended June 30, 2022 and 2021, respectively.

#### **14. Debt Arrangements**

Pursuant to a revolving line of credit arrangement with a local bank, UWAC may borrow up to \$200,000 subject to certain terms and conditions. This line of credit arrangement is secured by UWAC's investments and expires on December 15, 2023. The line of credit arrangement bears interest at the prime rate as published in the Wall Street Journal (4.75 percent at June 30, 2022), which is due and payable monthly. Borrowings pursuant to this line of credit were \$200,000 at June 30, 2022.

Interest paid on this line of credit was \$2,053 for the year ended June 30, 2022.

#### **15. Subsequent Events**

Management has evaluated subsequent events through August 19, 2022, the date on which the financial statements were available to be issued.