United Way of Greater Cleveland and The Cleveland Community Fund

Combined Financial Statements
For the Years Ended June 30, 2021 and 2020

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

United Way of Greater Cleveland and The Cleveland Community Fund

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For the Years Ended June 30, 2021 and 2020

United Way of Greater Cleveland and The Cleveland Community Fund

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Independent Auditor's Report

Board of Directors
United Way of Greater Cleveland and
The Cleveland Community Fund
Cleveland, Ohio

Opinion

We have audited the combined financial statements of United Way of Greater Cleveland and The Cleveland Community Fund (the 'Organization'), which comprise the combined statements of financial position as of June 30, 2021 and 2020, and the related combined statements of activities and changes in net assets, allocations, contributions and functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Organization as of June 30, 2021 and 2020, 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 (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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 combined 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 the Organization'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

BDO USA, LLP

Cleveland, Ohio
February 18, 2022

Combined Financial Statements

United Way of Greater Cleveland and The Cleveland Community Fund

Combined Statements of Financial Position

June 30,	2021	2020
Assets		
Cash and cash equivalents	$ 3,473,952	$ 3,668,866
Custodial funds	437,062	2,694,441
Campaign receivables	11,855,803	13,070,418
Less: allowance for uncollectible campaign receivables	(685,242)	(835,689)
Net campaign receivables	11,170,561	12,234,729
Accounts Receivable:		
Agencies	932,749	1,003,823
Other	471,592	865,283
Major gifts receivable, net	1,850,629	2,833,826
Marketable securities	16,326,675	14,043,229
Prepaid expenses and other assets	19,492	191,895
Land, building and equipment, net	13,414,524	14,242,242
Total Assets	$ 48,097,236	$ 51,778,334

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

United Way of Greater Cleveland and The Cleveland Community Fund

Combined Statements of Financial Position

June 30,		**2021**		2020
Liabilities				
Custodial funds	$	**437,062**	$	2,694,441
Due to donor-designated agencies		**5,648,076**		6,527,094
Accounts payable:				
Agencies		**6,243,114**		7,713,461
Other		**1,344,230**		895,483
Other liabilities		**711,675**		781,828
Deferred revenue and other		**173,620**		309,784
Interest rate swap		**643,869**		1,158,435
Paycheck Protection Plan (PPP) loan		**-**		1,903,400
Debt (see Note 9)		**7,718,467**		7,907,625
Less: debt issuance costs		**(148,452)**		(167,008)
Net debt		**7,570,015**		7,740,617
Pension liability		**3,847,556**		6,299,919
Total Liabilities		**26,619,217**		36,024,462
Net Assets				
Without donor restrictions		**18,182,357**		11,587,189
With donor restrictions		**3,295,662**		4,166,683
Total Net Assets		**21,478,019**		15,753,872
Total Liabilities and Net Assets	$	**48,097,236**	$	51,778,334

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

United Way of Greater Cleveland and The Cleveland Community Fund

Combined Statement of Activities and Changes in Net Assets

Year Ended June 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenues, and gains			
Contributions			
Contributions received	$ 22,388,161	$ 153,483	$ 22,541,644
Less: donor designations	(6,735,422)	-	(6,735,422)
Allowance for uncollectible pledges	(449,208)	-	(449,208)
Contributions released from restriction	1,024,504	(1,024,504)	-
Total Contributions	16,228,035	(871,021)	15,357,014
Revenues and Gains			
Program fees and grants	7,228,224	-	7,228,224
Investment return, net	2,461,968	-	2,461,968
Gain from forgiveness of debt	1,903,400	-	1,903,400
Rental income and miscellaneous	193,585	-	193,585
Total Revenues and Gains	11,787,177	-	11,787,177
Total Support, Revenues, and Gains	28,015,212	(871,021)	27,144,191
Allocations and Functional Expenses			
Funds allocated to agencies	9,127,425	-	9,127,425
Functional Expenses			
Programs	5,322,860	-	5,322,860
Impact and agency relations	1,619,127	-	1,619,127
Fundraising	3,383,920	-	3,383,920
Management and general	3,989,773	-	3,989,773
Total Functional Expenses	14,315,680	-	14,315,680
Total Allocations and Functional Expenses	23,443,105	-	23,443,105
Change in net assets before other items	4,572,107	(871,021)	3,701,086
Interest expense	(345,125)	-	(345,125)
Other components of net periodic pension cost	(770,493)	-	(770,493)
Change in Interest Rate Swap	514,566	-	514,566
Pension-related changes other than net periodic pension cost	2,624,113	-	2,624,113
Changes in Net Assets	6,595,168	(871,021)	5,724,147
Net Assets - beginning of year	11,587,189	4,166,683	15,753,872
Net Assets - end of year	$ 18,182,357	$ 3,295,662	$ 21,478,019

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

United Way of Greater Cleveland and The Cleveland Community Fund

Combined Statement of Activities and Changes in Net Assets

Year Ended June 30, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenues, and gains			
Contributions			
Contributions received	$ 27,978,846	$ 1,358,949	$ 29,337,795
Less: donor designations	(7,842,960)	-	(7,842,960)
Allowance for uncollectible pledges	(743,843)	-	(743,843)
Contributions released from restriction	1,608,929	(1,608,929)	
Total Contributions	21,000,972	(249,980)	20,750,992
Revenues and Gains			
Program fees and grants	4,963,751	-	4,963,751
Investment return, net	213,515	-	213,515
Rental income and miscellaneous	126,816	-	126,816
Total Revenues and Gains	5,304,082	-	5,304,082
Total Support, Revenues, and Gains	26,305,054	(249,980)	26,055,074
Allocations and Functional Expenses			
Funds allocated to agencies	9,483,093	-	9,483,093
Functional Expenses			
Programs	5,391,425	-	5,391,425
Impact and agency relations	1,875,128	-	1,875,128
Fundraising	4,331,206	-	4,331,206
Management and general	4,155,643	-	4,155,643
Total Functional Expenses	15,753,402	-	15,753,402
Total Allocations and Functional Expenses	25,236,495	-	25,236,495
Change in net assets before other items	1,068,559	(249,980)	818,579
Interest expense	(195,345)	-	(195,345)
Other components of net periodic pension cost	(448,177)	-	(448,177)
Change in Interest Rate Swap	(1,158,435)	-	(1,158,435)
Pension-related changes other than net periodic pension cost	(1,534,610)	-	(1,534,610)
Changes in Net Assets	(2,268,008)	(249,980)	(2,517,988)
Net Assets - beginning of year	13,855,197	4,416,663	18,271,860
Net Assets - end of year	$ 11,587,189	$ 4,166,683	$ 15,753,872

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

United Way of Greater Cleveland and The Cleveland Community Fund

Combined Statement of Allocations, Contributions, and Functional Expenses

For the Year Ended June 30, 2021	Allocations	Programs	Impact and Agency Relations	Fundraising	Management and General	Total
Funds allocated to agencies	$ 9,127,425	$ -	$ -	$ -	$ -	$ 9,127,425
Salaries		2,498,513	843,583	1,369,852	1,896,282	6,608,230
Employee fringe benefits		509,474	111,008	203,709	801,608	1,625,799
Payroll taxes		205,897	63,378	144,754	182,503	596,532
Total Personnel Expenses		3,213,884	1,017,969	1,718,315	2,880,393	8,830,561
Fees and contract services		605,828	271,704	753,116	325,266	1,955,914
Supplies		9,449	2,388	661	42,010	54,508
Telecommunications		217,673	26,445	52,778	37,658	334,554
Postage and shipping		1,039	873	10,899	4,164	16,975
Occupancy		343,525	83,786	212,775	130,335	770,421
Technology		490,827	84,934	191,609	227,211	994,581
Printed, promotional, and visual		765	41,544	187,382	2,497	232,188
Travel and reimbursable expenses		-	418	72	2,772	3,262
Conferences, conventions and meetings		1,141	13,650	21,314	15,000	51,105
Dues and subscriptions		1,560	1,301	37,668	16,161	56,690
Insurance		66,363	9,480	21,331	22,357	119,531
Bank charges		-	-	-	82,090	82,090
Parking		760	-	30	1,091	1,881
Miscellaneous		306	993	113	70,562	71,974
Total Expenses before depreciation and amortization	9,127,425	4,953,120	1,555,485	3,208,063	3,859,567	22,703,660
Depreciation and amortization	-	369,740	63,642	175,857	130,206	739,445
Total	$ 9,127,425	$ 5,322,860	$ 1,619,127	$ 3,383,920	$ 3,989,773	$ 23,443,105

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

United Way of Greater Cleveland and The Cleveland Community Fund

Combined Statement of Allocations, Contributions, and Functional Expenses

For the Year Ended June 30, 2020	Allocations	Programs	Impact and Agency Relations	Fundraising	Management and General	Total
Funds allocated to agencies	$ 9,483,093	$ -	$ -	$ -	$ -	$9,483,093
Salaries		2,712,902	930,769	1,625,560	2,297,387	7,566,618
Employee fringe benefits		608,676	268,678	524,696	497,286	1,899,336
Payroll taxes		205,206	63,096	145,206	153,303	566,811
Total Personnel Expenses		3,526,784	1,262,543	2,295,462	2,947,976	10,032,765
Fees and contract services		375,552	222,852	757,015	397,140	1,752,559
Supplies		15,692	2,250	7,166	69,216	94,324
Telecommunications		187,667	24,263	48,523	36,393	296,846
Postage and shipping		3,811	602	24,599	(86,831)	(57,819)
Occupancy		537,964	145,444	360,475	209,043	1,252,926
Technology		378,630	86,059	192,346	185,608	842,643
Printed, promotional, and visual		3,649	26,317	394,818	8,563	433,347
Travel and reimbursable expenses		5,954	7,760	7,785	5,307	26,806
Conferences, conventions and meetings		2,623	35,791	56,246	32,186	126,846
Dues and subscriptions		1,407	1,166	18,078	30,024	50,675
Insurance		60,627	10,781	26,893	24,220	122,521
Bank charges		-	-	-	101,082	101,082
Parking		2,652	-	2,750	3,572	8,974
Miscellaneous		238	341	713	91,301	92,593
Total Expenses Before Depreciation and Amortization	9,483,093	5,103,250	1,826,169	4,192,869	4,054,800	24,660,181
Depreciation and amortization	-	288,175	48,959	138,337	100,843	576,314
Total	$ 9,483,093	$ 5,391,425	$ 1,875,128	$ 4,331,206	$ 4,155,643	$ 25,236,495

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

United Way of Greater Cleveland and The Cleveland Community Fund

Combined Statements of Cash Flows

For the Years Ended June 30,		2021		2020
Cash Flows from Operating Activities				
Change in net assets	$	**5,724,147**	$	(2,517,988)
Adjustments to reconcile change in net assets to net cash used in operating activities:				
Pension-related changes other than net periodic pension cost		**(2,624,113)**		1,534,610
Depreciation and amortization		**739,445**		576,315
Amortization of bond issuance costs included in interest expense		**18,556**		18,556
Provision for uncollectible campaign receivables		**449,208**		743,843
Change in discount on pledges receivable		**(67,803)**		245,727
Contributions restricted for long-term purposes		**-**		(400,000)
Change in interest rate swap liability		**(514,566)**		1,158,435
Net realized and unrealized gains on investment transactions		**(2,347,061)**		(22,123)
Gain from forgiveness of loan		**(1,903,400)**		-
Refund related to PPE purchases		**300,326**		-
(Increase) Decrease in Operating Assets:				
Campaign receivables		**614,960**		275,589
Major gifts receivable		**1,051,000**		(294,704)
Agencies and other receivables		**464,765**		(543,523)
Prepaid expenses and other assets		**172,403**		26,008
Increase (Decrease) in Operating Liabilities:				
Custodial liabilities		**(2,257,379)**		1,381,336
Due to designated agencies		**(879,018)**		661,424
Accounts payable – agencies		**(1,470,347)**		(3,509,067)
Accounts payable – other		**448,747**		22,435
Other liabilities		**(34,567)**		(374,954)
Net Cash Used in Operating Activities		**(2,114,697)**		(1,018,081)
Cash Flows from Investing Activities				
Purchases of building, and equipment		**(212,053)**		(9,425,835)
Proceeds from sales of equipment		**-**		-
Purchases of marketable securities		**(10,103,419)**		(1,194,719)
Proceeds from sale of marketable securities		**10,167,034**		4,125,038
Net Cash Provided by (Used in) Investing Activities		**(148,438)**		(6,495,516)
Cash Flows from Financing Activities				
Contributions restricted for long-term purposes		**-**		400,000
Proceeds from notes payable		**-**		8,000,000
Proceeds from paycheck protection program loan		**-**		1,903,400
Payments on notes payable		**(189,158)**		(92,375)
Net Cash (Used in) Provided by Financing Activities		**(189,158)**		10,211,025
Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash		**(2,452,293)**		2,697,428
Cash, Cash Equivalents, and Restricted Cash, beginning of year		**6,363,307**		3,665,879
Cash, Cash Equivalents, and Restricted Cash, end of year	**$**	**3,911,014**		$6,363,307
Supplemental disclosures of cash flow information				
Cash paid for interest	**$**	**326,569**	$	-

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

1. Summary of Significant Accounting Policies

Nature of Activities

United Way of Greater Cleveland ("UWGC") is a not-for-profit corporation located in Cleveland, Ohio. UWGC serves as a critical community convener, generating and coordinating resources across individual donors, corporations, service providers and government and civic leaders to improve lives and strengthen the community on a meaningful scale.

UWGC brings people and organizations together to tackle both the symptoms and root causes of poverty. It solicits donations from a variety of donors through a range of methods. All these donations, whether they be from workplace campaigns, corporations, foundations, community leaders or individuals, combine to make it possible to implement impactful change for our community and those living in poverty. Every year, companies across Greater Cleveland unite their employees to give to UWGC by participating in United Way's annual workplace campaign. Business owners, community leaders, corporations and foundations demonstrate their dedication to bettering the community in which they are headquartered through generous donations. UWGC collaborates with them to align their community impact goals with those funded by UWGC.

UWGC makes an impact in the community by investing in bold, innovative, impactful solutions that provide comprehensive support to those neighbors currently living in poverty, while also revolutionizing strategies to prevent the cycle of poverty from continuing. Deciding where donations will have the highest impact is based on community needs and entrusted to a team of community volunteers. These volunteers are organized into Impact Teams who make recommendations based on available resources in the area and a program's ability to deliver quality services in an effective manner. Ultimately, the selected programs are the ones that the Impact Teams believe can provide the greatest level of support to the members of our community living in poverty.

Another approach to combatting poverty is through UWGC's new Community Hub for Basic Needs. The Community Hub consists of UWGC-funded organizations that address the immediate, here-and-now needs of our community, such as hunger, addiction, homelessness or violence, among others. The Community Hub brings these organizations together with community partners and volunteers to share best practices, build relationships and align resources to better identify and subsequently meet the immediate, basic needs of people in our community living in or on the edge of poverty.

The second new approach to combatting poverty is through UWGC's Impact Institute. Impact Institute is a think tank with an action plan to identify and grow solutions to root causes of poverty. Funded through major gifts, Impact Institute aims to figure out where additional work is needed in the community, and then support programs and projects that will fill the gaps. As opposed to just addressing the symptoms of poverty, these large-scale initiatives offer solutions to systemic problems, with the hopes of eliminating them in the future. Impact Institute wants to create, and more importantly, implement, new ways to better approach the root causes of poverty.

UWGC also provides direct services to the community through United Way 211 information, referral and navigator services; the Accountable Health Communities grant funded by the Centers for Medicare and Medicaid Services; administration of certain Cleveland schools wrap around service program; coordination of the allocation of county funds for emergency food; other employment and re-entry programs; and centralized services such as donation processing and payroll, accounting and group insurance buying programs for other non-profit organizations. From time-to-time UWGC will act as a fiscal sponsor for other organizations and programs.

For the year ended June 30, 2020, the combined financial statements include the accounts of UWGC (including its wholly owned subsidiary, United Way Properties, LLC), United Way of Geauga County, United Way of Medina County and The Cleveland Community Fund (collectively, the "Organization"), an organization affiliated through common management. Interorganizational transactions and accounts have been eliminated upon combination. Effective July 1, 2020, the partnership agreement with United Way of Medina County was terminated, resulting in a contribution of all remaining net assets back to Medina (see Note 2).

During the year ended June 30, 2019, United Way Properties, LLC (the "LLC") was created to assist UWGC in owning, leasing, operating, and managing real and personal property necessary or appropriate for the charitable activities of UWGC.

Basis of Presentation

The Organization follows authoritative guidance issued by the Financial Accounting Standards Board (FASB) which established the FASB Accounting Standards Codification (ASC) as the single source of authoritative accounting principles generally accepted in the United States of America. The accompanying combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP)

The accompanying combined financial statements have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions/stipulations and are therefore available for use at the discretion of the Board of Directors and/or management for general operating purposes. These include net assets designated by the Board of Directors to be set aside for specific purposes over which the Board retains control and may, at its discretion, subsequently be used for other purposes.

Net Assets With Donor Restrictions – Net assets with donor restrictions are subject to donor-imposed restrictions/stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities and changes in net assets as contributions released from restrictions. If donor-imposed restrictions are met in the same period as they are imposed, the net assets are reported as net assets without donor restrictions. Some net assets with donor restrictions include a stipulation that assets be maintained by the Organization in perpetuity while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

Use of Estimates

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

The allowance for uncollectible campaign receivables has been reviewed by management, which reviews factors such as prior collection history, current economic factors, and knowledge of donors who have pledged in evaluating the adequacy of the allowance. It is at least reasonably possible that the estimate for the allowance for uncollectible campaign receivables will change in the near-term.

The valuation of the pension liability has been calculated by an outside actuary. Factors and assumptions used by this actuary to calculate the liability are based upon estimates provided by management and, it is at least reasonably possible that the assumptions and estimates used may change in the near-term.

Revenue Recognition

Contributed Revenue

The Organization recognizes contributions and donor's unconditional promises to give in the period the promise is made. Contribution receivables are stated at the amount management expects to collect from outstanding balances. Donors' promises to give which are conditional are not recognized until the condition on which they depend are substantially met or barriers to recognition have been achieved. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support in future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without door restrictions and reported in the combined statements of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Program Fees and Grant Revenue

A portion of the Organization's program and grant revenue is derived from cost-reimbursable federal and local grants, which are conditional upon certain performance requirements and or the insurance of allowable qualifying expenses. These grants are received as a recipient or sub-recipient under federal grants and contracts. Amounts are recognized as revenue when the Organization has incurred expenditure in compliance with specific contract or grant provisions. The Organization, at times, receives revenues in advance from certain contracts. Such amounts are recorded as deferred revenue and are recognized as the services or goods are transferred to customers. There were no amounts deferred as of June 30, 2021 and 2020.

In addition, program fees and grants are amounts earned by United Way of Greater Cleveland for direct services such as 211 information, referral and navigation contracts, payroll and accounting services provided to not-for-profit agencies, processing fees assessed on donor designations and amounts received from restricted grants. This revenue is recognized at the point in time at which the related services were provided. Revenue is recorded at the transaction price, which does not include any price concessions. Any outstanding billings for relates services are recorded as accounts receivable on the combined statements of financial position.

Cash Equivalents

The Organization considers all highly liquid debt instruments with original maturities of three months or less (excluding those held in brokerage accounts designated for long-term investment) to be cash equivalents.

Custodial Funds

Custodial funds are amounts held by United Way of Greater Cleveland that legally belong to unrelated and related entities. Accordingly, these amounts are recorded as both an asset and liability of the Organization.

Reconciliation of Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the combined statements of financial position to the combined statements of cash flows as of June 30, 2021 and 2020.

June 30,	**2021**	2020
Cash and Cash Equivalents	**$ 3,473,952**	$ 3,668,866
Restricted Cash		
Custodial Assets	**437,062**	2,694,441
Total	**$ 3,911,014**	$ 6,363,307

Receivables and Credit Policies

Accounts receivables are primarily related to amounts due from not-for-profit agencies for payroll and accounting services provided by the Organization and amounts due from government grants. Accounts receivables are stated at the amount billed to the agency or the amount owed from the governmental entity.

Management individually reviews all accounts receivable balances and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. At June 30, 2021 and 2020, management estimated that no allowance for doubtful accounts was required.

Campaign Receivable and Major Gifts Receivable

Contributions received are recorded as support without donor restrictions or with donor restrictions depending upon the existence and or nature of the donor's restriction. Unconditional promises to give are recorded at their fair market value in the period in which the Organization was notified of the promise. Conditional promises to give – that is, those with measurable performance or other barrier and right of return – are not recognized until the condition on which they depend have been met. Allowances are provided for uncollectible pledges based upon prior experience, current economic factors and knowledge of donors and their characteristics. Promises to give are not collateralized.

Promises to give that are to be received over a period greater than one year also known as major gifts receivable are discounted to their fair market value assuming their respective payment terms and an appropriate discount rate as of the date the pledge is received. The discount is amortized in contribution revenue over the term of the respective pledge agreement. See Note 3.

Marketable Securities

Investments in marketable securities and all investments in debt securities are reported at their estimated fair values in the combined statements of financial position. Realized and unrealized gains and losses, interest, dividends, and investment fees arising during the period are included in investment return, net, in the accompanying combined statements of activities and changes in net assets. See also note 4.

Land, Building, and Equipment

Building and equipment are depreciated utilizing the straight-line method over their estimated useful lives ranging from 3 to 40 years. The Organization capitalizes purchases of land, building, and equipment that exceed $1,000. Land, building, and equipment are stated at cost.

Donated Materials and Services

Donated items and equipment are not reflected as contributions in the accompanying combined financial statements because they are not material. No amounts have been reported in the combined financial statements for donated services as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the Organization's program services and to its fundraising campaigns.

Due to Donor Designated Agencies

Contributions received that have been designated by donors for specific recipient agencies are reported as both receivables and amounts due to designated agencies in the combined statements of financial position and as both revenue and a reduction of contributions in the combined statements of activities and changes in net assets in the period in which the related contribution is recognized.

Accounts Payable – Agencies

Proceeds from fundraising campaigns that are not restricted are allocated to agencies upon approval by the Board of Directors. Such allocations to agencies are reported as accounts payable – agencies in the accompanying combined statements of financial position.

Included in the amounts reported as allocations to agencies in the accompanying combined statements of activities and changes in net assets are payments of dues to certain voluntary trade organizations. This amount totaled $347,790 and $179,165 for the years ended June 30, 2021 and 2020, respectively, for United Way Worldwide.

Deferred Grants and Program Income

Deferred revenue consists of amounts received by United Way of Greater Cleveland for which a condition associated with a grant has not yet been substantially met or for which funds have been received in advance of services being provided.

Derivative instruments

UWGC utilizes an interest rate swap contract (which is considered a derivative instrument) to manage its exposure to interest rate risk on its variable rate debt. The differential interest required to be paid or that will be received under this agreement is accrued consistent with the terms of the agreement and is recognized in interest expense as accrued. Terms of the swap agreement require the differential interest to be paid or received monthly. The Organization documents its risk management strategy and hedge effectiveness at the inception of and during the term of each hedge.

UWGC accounts for derivatives and hedging activities in accordance with FASB ASC 815, *Accounting for Derivative Instruments and Certain Hedging Activities*, as amended, which requires that all derivate instruments are recognized on the statements of financial position at their fair value. The criteria for designating a derivative as a hedge include the instrument's effectiveness in risk reduction and a one-to-one matching of the derivative instrument to its underlying transaction. The Organization's interest rate swap is recorded at fair value and is included in liabilities at June 30, 2021 and 2020. Gains and losses from changes in the fair value of the derivatives are recorded in the combined statements of activities and changes in net assets. Fair value has been measured based on estimates of the amount needed to settle the agreement as calculated by the counterparty to the swap agreement. Such calculations are based on changes in market condition and/or assumptions underlying valuation models. The cash flows from the interest rate swap contract are classified as an operating activity on the statement of cash flows.

Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans

United Way of Greater Cleveland recognizes the funded status of its defined benefit plan as assets or liabilities on its combined statement of financial position. Changes in the funded status are recognized through the combined statement of activities in the year in which the changes occur. Plan assets and benefit obligations are measured as of June 30, 2021 and 2020.

Functional Allocation of Expenses

The costs of providing various programs and related supporting services have been summarized on a functional basis in the combined statements of activities and changes in net assets and of allocations and functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Costs that benefit multiple functional areas have been allocated across programs and other supporting services based on their proportion of employees as a percentage of total employees.

Income Taxes

The United Way of Greater Cleveland, United Way of Geauga County, United Way of Medina County and The Cleveland Community Fund are tax-exempt, under Section 501(c)(3) of the Internal Revenue Code of 1986 (IRC). In addition, none of these entities has been classified as an organization that is a “private foundation” within the meaning of Section 509(a) of the IRC.

Uncertain income tax positions are evaluated at least annually by management. The Organization classifies interest and penalties related to income tax matters as income tax expense in the accompanying combined financial statements. As of June 30, 2021 and 2020, the Organization has identified no uncertain income tax positions and has incurred no amounts for income tax penalties and interest for the years then ended.

Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and temporary investments, investment securities, and pledges receivable.

The Organization has significant investments in equity and debt securities and is, therefore, subject to concentrations of credit risk. Investments are managed by investment advisors who are overseen by a committee. Though the market value of investments is subject to fluctuations on a year-to-year basis, the committee believes that the investment policy is prudent for the long-term welfare of the Organization.

Concentrations of credit risk with respect to campaign receivables are limited due to the large number of contributors comprising the Organization’s contributor base and their dispersion across different industries throughout Northeast Ohio.

At various times during the years ended June 30, 2021 and 2020, the Organization’s cash in bank balances may have exceeded the federally insured limits.

Accounting Pronouncements Adopted

Revenue from Contracts with Customers

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2015-14 that deferred the effective date for the Organization until annual periods beginning after December 15, 2018. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. In June 2020, FASB issued ASU 2020-05 that deferred the effective date for the Organization until annual periods beginning after December 15, 2019. The pronouncement is effective for the Organization’s year ended June 30, 2021, and the adoption of this standard did not have a material impact on the Organization’s financial statements.

Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which standardizes how grants and other contracts are classified across the sector resource recipients and resource providers. The standard will assist these types of entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange transactions (reciprocal transactions) subject to other guidance and (2) determining whether a contribution is conditional.

The Organization adopted the portion of the ASU as related to a resource recipient during 2020. For the year ending June 30, 2021 the Organization has adopted the portion of the ASU as it relates to a resource provider. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes contribution revenue.

Recent Accounting Pronouncements

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases,* which supersedes most of the current lease accounting and presentation guidance. The core principle is that a lease should recognize the assets and liabilities that arise from leases (with an exception for leases with a term of 12 months or less) by recognizing in the statements of financial position a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset. This guidance is currently affect for the Organization for fiscal year 2022. Early adoption is permitted The Organization is evaluating whether this will have a material impact on the Organization’s combined financial statements.

Presentation and Disclosures by Not-for-Profit Entities for Contributions Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958).* This update addresses presentation and disclosure of contributed nonfinancial assets. This update will require a nonprofit to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, disclose contributed nonfinancial assets recognized within the statement of activities disaggregated by category that depicts the type of contributed nonfinancial assets, and for each category of contributed nonfinancial assets recognized include the following: qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period (if utilized, to disclose a description of the programs or other activities in which those assets were used), the Organization's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets, a descriptions of any donor-imposed restrictions associated with the contributed nonfinancial assets, a description of the valuation techniques and inputs used to arrive at a fair value measure at initial recognition, and the principal market used to arrive at a fair value measure if it is a market in which the recipient Organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The ASU is to be applied on a retrospective basis and effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Earlier adoption is permitted. The Organization is currently evaluating the impact of this ASU on its combined financial statements.

Reference Rate Reform

In March 2020, the FASB issued ASU No 2020-04*, Reference Rate Reform*: Facilitation of the Effects of Reference Rate Reform on Financial Reporting ASU No. 2020-04 provides optional expedients and exceptions for applying U.S. GAAP to contract modifications and hedging relationships, subject to meeting certain criteria, that reference LIBOR or another rate that is expected to be discontinued. The amendments in this ASU were effective beginning on March 12, 2020, and the Organization my elect to apply the amendments prospectively through December 31, 2022. The Organization is currently assessing the effect this guidance may have on its combined financial statements.

Subsequent Events

In preparing these combined financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 18, 2022, the date the combined financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these combined financial statements.

2. Partnership Agreement

On August 19, 2015, the Organization and United Way of Medina County ("UW-Medina") entered into a collaborative agreement where UW-Medina would transfer all campaign related and normal operating activities to the Organization. The primary reason for the collaborative agreement was to improve the efficiency of providing health and human services to the Medina County community. On July 21, 2017, effective July 1, 2017, the Organization and UW-Medina entered into a partnership agreement that incorporates the terms of the August 19, 2015 collaborative agreement and memorializes the understanding and obligations into a binding agreement. UW-Medina transferred substantially all of its other assets to be held by the Organization for the purpose of a restricted fund that supports UW-Medina programs and services. Total assets transferred consisted of cash and cash equivalents of $725,535. In addition, the Organization canceled the previous amounts of $180,949 due to the Organization from UW-Medina. The agreement had an initial term of three years and automatically renewed for successive additional three-year terms unless either party gives notice of intent not to renew at least nine months prior to the expiration of the then current term. During the course of the agreement, the Organization processed all normal operating activities for UW-Medina. The Organization's Board of Directors had control over UW-Medina's campaign and normal operating activities, however, oversight of these activities remained with the UW-Medina Board of Directors. Subsequent to year end United Way of Greater Cleveland and United Way of Medina County have mutually agreed to end their regional partnership, effective June 30, 2020. The board of directors for both organizations determined that a new direction and vision will allow each organization to best focus on and serve the unique needs of their respective communities. Accordingly, a contribution from the Organization to United Way of Medina of $656,629 was recognized in the accompanying combined financial statements, comprised of the following:

Assets	$656,629
Contribution to Medina	$656,629

3. Major Gifts Receivables, Net

The major gifts receivable are discounted to their estimated fair value assuming their respective terms and discount rate (4.00%). The major gifts receivable are scheduled to be collected as follows:

June 30,	**2021**	2020
Payable in less than one year	**$ 761,000**	$ 1,587,500
Payable in one to five years	**663,500**	832,250
Payable in more than five years	**816,500**	872,250
	2,241,000	3,292,000
Less: discounts to fair value	**(390,371)**	(458,174)
Net major gifts receivable	**$ 1,850,629**	$ 2,833,826

4. Marketable Securities

At June 30, 2021 and 2020, marketable securities (except for the fixed annuity) are reported at fair value and consisted of the following:

June 30,	**2021**	2020
Cash and cash equivalents	**$ 677,583**	$ 1,637,408
Certificates of deposit	**106,476**	105,734
Equities	**4,979,089**	3,361,111
Common collective funds	**4,785,341**	3,238,933
Fixed income	**1,409,221**	482,936
Alternative investment – hedge funds	**-**	1,932,544
Limited partnerships	**1,715,653**	1,721,802
Held at community foundation	**2,653,312**	2,194,240
	16,326,675	14,674,708
Less: marketable securities included in custodial funds on the combined statements of financial position	**-**	(631,479)
Total	**$ 16,326,675**	$ 14,043,229

5. Fair Value Measurements

GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable input be used when available. Observable inputs are those that market participants would use in measuring investments at fair value based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in measuring investments at fair value based on the best information available in the circumstances. Investments are measured and disclosed in one of the three levels based on the reliability of inputs:

- Level 1 - Valuations based on quoted market prices in active markets for identical investments as of the reporting date.
- Level 2 - Valuations based on other than quoted market prices in active markets, dealer or broker markets. Fair values are primarily obtained from third party pricing services for similar investments as of the reporting date.
- Level 3 - Valuations derived from other methodologies, including pricing models, discounted cash flow models and similar techniques, and not based on market, dealer, or broker-traded transactions. The determination of fair value requires significant management judgment or estimation.

Level 3 valuations incorporate certain assumptions and projections that are not observable in the market in determining the fair value for investments and assets held by others as of the reporting date. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

The following is a description of the valuation techniques used for investments measured at fair value, and there have been no changes in the valuation methodology used by the Organization at June 30, 2021 or June 30, 2020:

Cash and Cash Equivalents

Cash equivalents and investments in money market and mutual funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency.

Certificates of Deposit ("CD")

A CD is a time deposit offered by banks that has a fixed rate of return and is for a specific time period. CDs are insured by the FDIC, have a ready market, and are classified within Level 2 of the fair value hierarchy.

Fixed Income, Bond Funds and Marketable Equity Securities

Fixed income, bond funds and marketable equity securities are valued at the closing price reported on the active market on which the individual securities are traded.

Investment Held at Community Foundation

The fair value of the investment held at community foundation (the Pool) is based on the number of units held at year end as compared to the total pool at the community foundation. The related investments are valued at amounts reported by the community foundation, as validated through consideration of the audited statements of the community foundation. Accordingly, the Organization does not use separate quantitative information to value such investments and has used the community foundation's fair value methodology. The stated objective of the Pool is to provide nonprofit organizations access to money managers that traditionally require very high initial investment and enable the individual funds of the Pool to achieve broader diversification and access to multiple managers with specific skill sets. The Pool is comprised of large cap, small cap, international, fixed income and absolute return equity investments. Although these investments include marketable securities and fixed income securities, they are pooled investments and have been classified within Level 2 as they are not traded in an active market and are subject to liquidity restrictions.

Investments at Net Asset Value

Investments reported at net asset value include alternative investments that are not generally liquid and certain investments that require a notice period for withdrawal. These investments are valued at using the net asset values reported by the investment managers and the majority of such investments are validated through consideration of the audited financial statements. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it was determined to be probable that the funds will sell the underlying investments for an amount different from the reported NAV.

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 the Organization 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.

Interest Rate Swap

The Organization determines the fair value of the interest rate swap using quotes provided by the respective bank counterparties that are based on models whose inputs are observable, and therefore has classified the swap as Level 2.

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Financial assets consisted of the following at June 30, 2021 and 2020:

June 30, 2021	Level 1	Level 2	Level 3	Total
Mutual funds				
Fixed income				
Real asset	$ -	$ -	$ 193,430	$ 193,430
Bond fund	1,215,791	-	-	1,215,791
Equities:				
International	1,451,444	-	-	1,451,444
Large-cap index	2,189,961	-	-	2,189,961
Mid-cap index	952,420	-	-	952,420
Small-cap index	385,264	-	-	385,264
Cash and cash equivalents	677,583	-	-	677,583
Certificates of deposit	-	106,476	-	106,476
Held at community foundation	-	2,653,312	-	2,653,312
	$ 6,872,463	$ 2,759,788	$ 193,430	$ 9,825,681
Investments measured at NAV*				6,500,994
Less: marketable securities included in custodial funds on the combined statements of financial position				-
Total investments				$ 16,326,675
Liabilities				
Interest rate swap at June 30, 2021	$ -	$ (643,869)	$ -	$ (643,869)

June 30, 2020	Level 1	Level 2	Level 3	Total
Mutual funds				
Fixed income				
Bank loan	$ 249,600	$ -	$ -	$ 249,600
Bond fund	233,336	-	-	233,336
Equities:				
International	1,118,221	-	-	1,118,221
Large-cap index	1,414,321	-	-	1,414,321
Mid-cap index	340,252	-	-	340,252
Small-cap index	488,317	-	-	488,317
Cash and cash equivalents	1,637,408	-	-	1,637,408
Certificates of deposit	-	105,734	-	105,734
Held at community foundation	-	2,194,240	-	2,194,240
	$ 5,481,455	$ 2,299,974	$ -	$ 7,781,429
Investments measured at NAV*				6,893,279
				14,674,708
Less: marketable securities included in custodial funds on the combined statements of financial position				(631,479)
Total investments				$ 14,043,229
Liabilities				
Interest rate swap at June 30, 2020	**$ -**	**$ (1,158,435)**	**$ -**	**$ (1,158,435)**

*In accordance with the "Fair Value Measurement" topic of the FASB ASC, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the line items presented in the combined statements of financial position.

The following table summarizes investments for which fair value is measured using net asset value per share as a practical expedient as of June 30, 2021 and 2020, respectively:

	Fair Value					
Investment		**2021**		2020	Redemption Frequency (if currently eligible)	Redemption notice period
Hedge funds						
Gotham enhanced long fund	**$**	**-**	$	-	Daily	N/A
Two sigma active extension U.S. all cap equity Cayman fund, ltd.		**-**		1,932,544	Monthly	30 days
Total hedge funds		**-**		1,932,544		
Limited partnerships						
GLAS funds limited partnerships		**1,040,603**		1,102,470	Daily	N/A
Golub capital partners international 11 limited partnerships		**675,050**		619,332	Daily	N/A
Total limited partnerships		**1,715,653**		1,721,802		
Common/collective funds:						
Charitable mid-cap fund		**645,718**		520,968	Daily	N/A
Charitable international equity fund		**-**		1,179,181	Daily	N/A
Charitable income fund		**486,518**		963,273	Daily	N/A
Charitable intermediate fund		**3,653,105**		575,511	Daily	N/A
Total common/collective funds		**4,785,341**		3,238,933		
Total investments at NAV	**$**	**6,500,994**	$	6,893,279		

6. Retirement Plans

United Way of Greater Cleveland has a defined benefit pension plan covering substantially all employees who were hired prior to December 31, 2009. Benefits are generally based on years of service and final average salary. It is the policy of United Way of Greater Cleveland to fund, at a minimum, the actuarially determined required minimum funding level. The measurement date of the plan is June 30. Participation in the plan was frozen effective December 31, 2009.

The following presents the funded status and amounts included in pension liability in the combined statements of financial position:

June 30,	2021	2020
Fair value of plan assets at June 30	$ 10,038,834	$ 8,495,821
Benefit obligation at June 30	(13,886,390)	(14,795,740)
Funded status	(3,847,556)	(6,299,919)
Accrued benefit cost recognized in the combined statements of financial position	$ 3,847,556	$ 6,299,919

Reclassifications to net periodic benefit cost of amounts previously recognized as changes in net assets without donor restrictions but not included in net periodic benefit cost when they arose were as follows:

For the Years Ended June 30,	2021	2020
Net loss	$ 889,020	$ 487,474

Included in "employee fringe benefits" on the combined statements of allocations, contributions and functional expenses is $151,257 and $179,840 in pension service cost for the years ended June 30, 2021 and 2020, respectively.

The following are included in "other components of periodic pension costs" on the accompanying combined statements of activities and changes in net assets:

June 30,	2021	2020
Interest cost	$ 316,981	$ 428,868
Expected return on plan assets	(435,508)	(468,165)
Recognized net actuarial loss	889,020	487,474
	$ 770,493	$ 448,177

Amount recognized in changes in net assets but not yet included in net periodic benefit cost are as follows:

For the Years Ended June 30,	2021	2020
Net income (loss)	$ 2,624,113	$ (1,534,610)

The accumulated net loss at June 30, 2021 is $2,776,039 and the estimated net loss for the defined benefit pension plan that will be amortized into periodic benefit cost over the next fiscal year (ending June 30, 2022) is approximately $300,000.

The accumulated benefit obligation of the pension plan is $13,886,390 and $14,795,740 at June 30, 2021 and 2020, respectively.

Weighted-average actuarial assumptions used to determine net periodic benefit cost:

For the Years Ended June 30,	**2021**	2020
Discount rate	**2.25%**	3.25%
Expected return on plan assets	**5.50%**	5.50%
Rate of compensation increase	**N/A**	N/A

Weighted-average actuarial assumptions used to determine benefit obligations:

June 30,	**2021**	2020
Discount rate	**2.50%**	2.25%
Rate of compensation increase	**N/A**	N/A
Benefit cost recognized in combined statements of activities and changes in net assets	**$ 921,750**	$ 628,017
Benefits paid (including settlements)	**$ 926,365**	$ 1,200,627

The mortality table used by the Organization for the year ended June 30, 2021 was the Pri-2012 White Collar Dataset Amount Weighted Mortality by participant status, projected with Scale MP-2020. . The mortality table used by the Organization for the year ended June 30, 2020 was the PRI-2012 White Collar Amount Weighted Mortality Tables projected forward generationally using a modification of the MP-2018 scale, with separate rates for employees, retirees and contingent survivors.

The following table shows the amounts United Way of Greater Cleveland contributed to its pension plan during the years ended June 30, 2021 and 2020 and the expected contributions for the fiscal year ending June 30, 2022:

Employer contributions:	
2020	$ 710,000
2021	750,000
2022 (expected)	600,000

The expected contribution to the plan represents an actuarial estimate of future assumed payments based on historic retirement, payment patterns, and statutory requirements. Actual amounts paid could differ from this estimate.

Employees of the plan who have achieved age 55 and are 30 years vested in the plan are eligible for early retirement at a reduced benefit. Certain employees are also eligible for a lump-sum distribution of their retirement benefits. The following table shows the benefits expected to be paid in each of the next five fiscal years ending June 30 and the aggregate to be paid for the subsequent five years assuming normal retirement age. Actual future benefit payments could differ from the estimate based on the election of the employees.

Estimated Future Benefit Payments	
2022	$ 1,345,421
2023	971,607
2024	991,978
2025	986,094
2026	1,096,742
2027-2031	4,276,905

The investment objective of the pension plan is to assure the timely payment of promised benefits at a minimum cost consistent with prudent standards of investment, the adequacy of the plan's funding, and the age of the work force. The pension plan utilizes a diversified investment portfolio and seeks to earn returns consistent with a reasonable level of risk. The long-term expected return on plan assets is based upon the plan's investment allocation and anticipated returns for specific investment classes.

As long-term asset allocation is recognized as the primary determinant of performance, United Way of Greater Cleveland generally utilizes the following asset allocation targets to achieve its plan investment objectives: 66% equity securities and 34% fixed-income instruments (which can include debt securities, real estate investments, alternative investments, and government securities). Allocations are reviewed periodically and adjusted as necessary.

The market values of pension plan assets are compared periodically to the value of plan benefit obligations.

The future value of assets, as calculated based on the expected long-term rate of return, are also compared to expected future plan benefit distributions and contributions to determine the sufficiency of expected plan funding levels. Investment asset allocations are revised as appropriate.

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The fair value of the pension plan investment assets, and their level within the fair value hierarchy described in Note 5, were as follows at June 30, 2021 and 2020 (see Note 5 for a description of how the fair value of assets are determined):

June 30, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual funds:				
Fixed income:				
Total bond fund	**$ 3,086,956**	**$ -**	**$ -**	**$ 3,086,956**
Equities:				
International	**1,453,900**	**-**	**-**	**1,453,900**
Multi-alternative	**-**	**-**	**-**	**-**
Large-cap index	**3,743,954**	**-**	**-**	**3,743,954**
Mid-cap index	**609,932**	**-**	**-**	**609,932**
Small-cap index	**453,452**	**-**	**-**	**453,452**
Real Assets	**300,000**	**-**	**-**	**300,000**
	$ 9,648,194	**$ -**	**$ -**	**$ 9,648,194**

At June 30, 2021, the Organization also had $390,615 of cash and cash equivalents and $24 of accrued interest within its pension plan assets.

June 30, 2020	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income:				
Total bond fund	2,370,590	-	-	2,370,590
World bond	304,668	-	-	304,668
Equities:				
International	325,763	-	-	325,763
Multi-alternative	834,750	-	-	834,750
Large-cap index	2,374,083	-	-	2,374,083
Mid-cap index	450,946	-	-	450,946
Small-cap index	440,920	-	-	440,920
Exchange-traded notes	138,930	-	-	138,930
Structured notes	-	-	1,082,200	1,082,200
	$ 7,240,650	$ -	$ 1,082,200	$ 8,322,850

At June 30, 2020, the Organization also had $172,913 of cash and cash equivalents and $58 of accrued interest within its pension plan assets.

United Way of Greater Cleveland also sponsors a 403(b) defined contribution plan that covers all full-time employees. Beginning January 1, 2011, the 403(b) defined contribution plan provides for employer contributions to employees based on a formula involving multiple variables. Employer contributions relating to the 403(b) defined contribution plan were $182,106 and $367,518 for the years ended June 30, 2021 and 2020, respectively.

7. Land, Building, and Equipment

Land, building, and equipment consists of the following:

June 30,	**2021**	2020
Land	**$ 512,500**	$ 512,500
Building and improvements	**18,124,837**	18,213,111
Office furniture, equipment, and management information systems	**5,375,609**	5,375,609
	24,012,946	24,101,220
Less: accumulated depreciation	**(10,598,422)**	(9,858,978)
Land, building, and equipment, net	**$ 13,414,524**	$ 14,242,242

During the year ended June 30, 2019, the Organization received a pledge from a donor in the amount of $2,350,000 restricted to provide support for renovations of the Organization's main office building. $1,645,000 of the pledge was conditioned upon the Organization achieving certain milestones in relation to the renovation project as defined in the contribution agreement. During the year ended June 30, 2019, $705,000 was recognized related to the portion of the gift for which conditions had been met, and for the year ended June 30, 2020, the Organization both received and met the restriction for the remaining $1,645,000 of pledged amount. During the year ended June 30, 2020, a subsequent request for additional $500,000 pledge was approved by the funder to be used toward the construction project, which was recognized as contribution revenue with donor restrictions during the year ended June 30, 2020.

8. Leases

The Organization has operating leases for office equipment that expire at various dates through 2025. Minimum future lease payments due during the fiscal years ending June 30 are as follows:

2022	$ 405,351
2023	311,721
2024	209,890
2025	17,334
Total	$ 944,296

Rental expense related to operating leases for equipment was $459,729 and $660,234 for the years ended June 30, 2021 and 2020, respectively.

9. Debt

In June 2019, UWGC entered into a construction loan agreement (the "loan") for up to $8,000,000 with Chemical Bank for the renovation of UWGC's main office building in Cleveland. The outstanding principal shall initially bear interest at the LIBOR rate plus 1.85%. Interest only on the outstanding balance is due from July 1, 2019 through January 1, 2020. Beginning February 1, 2020, UWGC shall commence making monthly principal payments based on a 25-year amortization schedule until maturity on July 1, 2029, at which point any remaining principal outstanding is due. The loan is secured by the main office building, which is owned by UWGC and leased to United Way Properties, LLC and subsequently sub-leased back to UWGC. The loan is further secured by an assignment of rents under the sub-lease and is guaranteed by The Cleveland Community Fund. In addition, the donor pledge discussed in Note 7 also serves as collateral on the loan.

The Organization paid acquisition fees of $185,564 during 2019 in relation to issuance of this construction loan. The acquisition fees are amortized over the term of the agreement using the straight-line method, which approximates the interest method, and are recorded as component of interest expense.

The expected debt maturities for the year ending June 30, 2021 are as follows:

	Principal	Amortized cost	Net
2022	$ 197,685	$ (18,556)	$ 179,129
2023	206,103	(18,556)	187,547
2024	214,453	(18,556)	195,897
2025	223,585	(18,556)	205,029
2026	233,531	(18,556)	214,975
Thereafter	6,643,110	(55,672)	6,587,438
Total	$ 7,718,467	$ (148,452)	$ 7,570,015

Interest expense was $326,569 for the year ended June 30, 2021.

Effective January 2020, the UWGC entered into an interest rate swap agreement to effectively fix the interest rate at 4.12% on the outstanding debt agreement. Based on the swap agreement, the UWGC receives payments calculated at a variable rate equal to the 1-month USD-LIBOR-BBA rate (LIBOR) + 185 bps from the counter party to the swap. In return, the UWGC makes payments to the counter party based on the fixed rate of 4.12%.

At June 30, 2021 and 2020, the one-month LIBOR rates were 0.10% and .17%. The notional amount of the agreement is $7,734,597 and $7,923,021 for the years ended June 30, 2021 and 2020, respectively, and it matures on July 1, 2029. The fair value of the interest rate swap on June 30, 2021 and 2020 was a liability of $643,869 and $1,158,435, respectively.

Paycheck Protection Program Loan

On March 27, 2020, the "Coronavirus Aid, Relief, and Economic Security (CARES) Act" was signed in to law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

The CARES Act also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. On April 14, 2020, the Organization received funds under the Paycheck Protection Program in the amount of $1,903,400. The Loan has an interest rate of 1.0% and matures on April 14, 2022 with principal and interest payments deferred for six months and interest accruing from the date of the loan. In fiscal year 2021, the Organization submitted an application requesting forgiveness of 100% of the PPP loan amount. The Organization received formal approval from both the financial institution through which it applied and received the loan proceeds and the SBA on April 23, 2021. Accordingly, a gain from forgiveness of the loan in the amount of $1,903,400 is recorded in the accompanying combined financial statements.

The application for these funds, and the related forgiveness, required the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization. This certification further requires the Organization to take into account the Organization's current business activity and management's ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business.

10. Endowment Funds and Net Assets

Endowment Funds

The Organization collectively invests its funds. The sole donor restricted endowment fund is included within the Organization's investment balances. As required by generally accepted accounting principles, 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.

The Board of Directors of the Organization has interpreted the State of Ohio enacted version of the Uniform Prudent Management of Institutional Fund Act (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 stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) accumulations to such fund 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, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds
- The purposes of the Organization and the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Changes in Endowment Net Assets	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2019	$ -	$ 250,000	$ 250,000
Interest and dividends	-	-	-
Appropriation of endowment assets for expenditure	-	-	-
Endowment net assets, June 30, 2020	-	250,000	250,000
Interest and dividends	-	-	-
Appropriation of endowment assets for expenditure	-	-	-
Endowment net assets, June 30, 2021	**$ -**	**$ 250,000**	**$ 250,000**

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Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for their investments that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the assets. Assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, investments of all Organization assets are directed by the investment manager and monitored by the Investment Committee of the Organization. The standard for the Investment Committee with regard to the assets shall be the preservation of corpus while prudently maximizing real growth. The Organization conducts a quarterly monitoring of the portfolio. Investment performance is measured against the returns of an appropriate composite index, weighted according to the asset allocation mix of the portfolio.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization 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). The Organization 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

Recommendations for the use of assets free of donor restriction shall be the responsibility of the Board of Directors. Recommendations of the Board of Directors shall be executed by the management of the Organization. Except in special circumstances, and except for recommending specific uses of generally donor restricted funds, the Board of Directors shall limit recommendations in the aggregate to an amount which shall not exceed 4% of a three-year rolling average of the assets.

Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following:

June 30,	**2021**	2020
Restricted as to time	**$ 862,886**	$ 1,056,390
Restricted for impact, strategy, and innovations	**1,662,000**	2,068,000
Restricted for renovation project	**100,000**	500,000
Restricted for other program services	**420,776**	292,293
Perpetual in nature	**250,000**	250,000
Total	**$ 3,295,662**	$ 4,166,683

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions are as follows:

June 30,	**2021**	2020
Expiration of time restrictions	**$ 193,504**	$ 227,131
Satisfaction of purpose restrictions: Impact, strategy, and innovations	**406,000**	406,000
Other program services	**25,000**	270,798
Renovation	**400,000**	705,000
Total	**$ 1,024,504**	$ 1,608,929

Net Assets without Donor Restrictions

Net assets without donor restrictions consist of the following:

June 30,	**2021**	2020
Amounts invested in land, buildings and equipment	**$ 5,844,509**	$ 6,334,617
Board designated operating reserves	**11,959,233**	4,729,438
Board designated strategic initiatives	**378,615**	523,134
Net assets without donor restrictions	**$ 18,182,357**	$ 11,587,189

11. Commitments and Contingencies

During the normal course of operations, the Organization is subject to occasional legal proceedings and claims. In the opinion of management, the eventual outcome of the current proceedings and claims will not materially affect its financial condition or operations.

12. Liquidity and Availability of Resources

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization maintains board designated funds (net assets without donor restrictions) that the Organization intends to hold for purposes as outlined in *Board-designated Net Assets Without Donor Restrictions, Investment and Spending Policies,* which could be made available for current operations, if necessary.

A reconciliation of the Organization's financial assets available within one year of June 30 for general expenditures are as follows:

June 30,	**2021**	2020
Cash and cash equivalents	**$ 3,911,014**	$ 3,668,866
Campaign receivables, net	**11,170,561**	12,234,729
Accounts receivables, agencies	**932,749**	1,003,823
Accounts receivables, other	**471,592**	865,283
Major gifts receivable, net	**1,850,629**	2,833,826
Marketable securities	**16,326,675**	14,043,229
	34,663,220	34,649,756
Less: amounts unavailable for general expenditures within one year due to:		
Funds held for others included in cash and cash equivalents	**437,062**	631,479
Restricted by donors – as to use:		
Restricted for renovation project	**100,000**	500,000
Restricted as to time (less collections expected in the next 12 months*)	**751,386**	904,227
Restricted for impact, strategy, and innovations	**1,662,000**	2,068,000
Restricted for other program services	**420,776**	292,293
Restricted by donors – held in perpetuity	**250,000**	250,000
	3,621,224	4,645,999
Board designated – operating reserves	**11,959,233**	4,635,381
Board designated – strategic initiatives	**378,615**	523,134
	12,337,848	5,158,515
Total financial assets unavailable	**15,959,072**	9,804,514
Total financial assets available to management for general expenditures within one year	**$ 18,704,148**	$ 24,845,242

*Management defines funds restricted for time that are not available for general expenditures within one year as those amounts expected to be collected in excess of twelve months from June 30, 2021.

13. Continuing Uncertainty – COVID 19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The outbreak may have an adverse impact on economic and market conditions, triggering a period of global economic slowdown. As such, this may negatively impact families' income which could result in reduced current and future donations and reduced United Way's contributions revenue. In addition to individuals' donations, United Way is also dependent upon donations from foundations and corporations. An economic downturn could result in reduced contribution revenue and delayed collection of pledged amounts in fiscal year 2022. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full impact that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations.

United Way of Greater Cleveland continues to monitor operations and government health agency recommendations. The Organization has made modifications to the normal operations because of the COVID-19 outbreak. Campaign efforts will be launched and monitored in a virtual environment and non-essential employees will work remotely as deemed necessary during fiscal year 2022. These changes were made to meet the safety guidelines and to maintain daily course of business as fluid and safe as possible.

On March 27, 2020, the "Coronavirus Aid, Relief, and Economic Security (CARES) Act" was signed in to law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. As detailed in Note 9 below, the Organization received a $1,903,400 Paycheck Protection Program loan in fiscal year 2020 (the Loan), which was fully forgiven in fiscal year 2021. See Note 9.