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Board of Directors
United Way of Huntington County, Inc.
356 West Park Drive
Huntington, Indiana 46750

In planning and performing our audit of the financial statements of United Way of Huntington County, Inc. (the Organization) as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered United Way of Huntington County, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

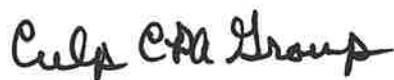
Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We considered the following deficiency in the Organization's internal control to be a significant deficiency:

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, results of operations, cash flows, and disclosures in the financial statements, in conformity with U.S. generally accepted accounting principles (GAAP). The Organization does not have a system of internal controls that would enable management to conclude the financial statements and related disclosures are complete and presented in accordance with GAAP. As such, management requested us to prepare a draft of the financial statements, including the related footnote disclosures. The outsourcing of these services is not unusual in organizations of your size and is a result of management's cost benefit decision to rely on our accounting expertise rather than incurring this internal resource cost.

This communication is intended solely for the information and use of management, the board of directors, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.



Culp CPA Group
Certified Public Accountants

Huntington, Indiana
March 23, 2022



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March 23, 2022

To the Board of Directors
United Way of Huntington County, Inc.
356 West Park Drive
Huntington, Indiana 46750

We have audited the financial statements of United Way of Huntington County, Inc. (the Organization) for the year ended December 31, 2021, and have issued our report thereon dated March 23, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 30, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by United Way of Huntington County, Inc. are described in Note 1 to the financial statements. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The trivial misstatement is attached in the summary of unadjusted differences.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 23, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Directors
United Way of Huntington County, Inc.
Page 3
March 23, 2022

This information is intended solely for the use of the Board of Directors and management of United Way of Huntington County, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

A handwritten signature in black ink that reads "Culp CPA Group". The signature is written in a cursive, slightly slanted style.

Culp CPA Group
Certified Public Accountants

Enclosure

SUMMARY OF UNADJUSTED DIFFERENCES

Organization: Statement of Financial Position Date:

Completed by: Date:

Instructions: This form should be used to accumulate known audit differences detected by nonsampling substantive tests (including differences in accounting estimates) and projected audit differences from substantive procedures that used sampling. All known and likely misstatements greater than the amount considered trivial (documented at **Step 5** of NPO-CX-2) should be listed. The auditor should review the guidance beginning at paragraph 1112.15 before concluding whether to reflect the effect of prior-year unadjusted audit differences in evaluating audit differences in the current period. This form should not include normal closing entries. At the end of the audit, the auditor should evaluate all uncorrected audit differences, individually and in the aggregate, in relation to individual amounts, subtotals, or totals in the financial statements and conclude on whether they materially misstate the financial statements taken as a whole. See section 1112. The notes following the table provide footnote explanations and a listing of qualitative considerations in evaluating materiality.

Description (Nature) of Audit Difference	Known (K) or Likely (L)	Cause	Workpaper Reference	Financial Statements Effect—Amount of Over (Under) Statement of:						
				Total Assets	Total Liabilities	Net Assets	Revenues	Expenses	Change in Net Assets	Working Capital
Overstatement of Pledge	Known	Misapplying receipt to wrong campaign	B-46	1,875	0	1,875	1,875	0	1,875	1,875
Total				1,875	0	1,875	1,875	0	1,875	1,875
Less Audit Adjustments Subsequently Booked				1,875	0	1,875	1,875	0	1,875	1,875
Net Unadjusted Audit Differences—This Year				1,875	0	1,875	1,875	0	1,875	1,875
Effect of Unadjusted Audit Differences—Prior Years				1,623,233	36,477	1,586,756	741,213	748,053	(6,840)	383,336
Net Audit Differences				0.12%	0.00%	0.12%	0.25%	0.00%	-27.41%	0.49%
Financial Statement Caption Totals										
Net Audit Differences as % of F/S Captions										

Conclusion: Based on the results of the evaluation performed above, as well as the consideration of qualitative factors, uncorrected audit differences, individually and in the aggregate, do do not cause the financial statements taken as a whole to be materially misstated.

UNITED WAY OF HUNTINGTON COUNTY, INC.

AUDIT REPORT

DECEMBER 31, 2021 AND 2020

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Independent Auditor's Report

To the Board of Directors
United Way of Huntington County, Inc.
Huntington, Indiana

We have audited the accompanying financial statements of United Way of Huntington County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, 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 Huntington County, Inc. as of December 31, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Huntington County, Inc. 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 United Way of Huntington County, Inc'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, including omissions, 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 United Way of Huntington County, Inc.'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 United Way of Huntington County, Inc.'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.

Culp CPA Group

Culp CPA Group
Certified Public Accountants

Huntington, Indiana
March 23, 2022

UNITED WAY OF HUNTINGTON COUNTY, INC.STATEMENTS OF FINANCIAL POSITIONDECEMBER 31, 2021 AND 2020ASSETS

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents - Notes 1 and 13	\$ 223,898	\$ 227,657
Pledges receivable - 2021 Campaign, due within one year, net of allowance for uncollectible pledges of \$26,749 - Note 1	139,318	-
Pledges receivable - 2020 Campaign, due within one year, net of allowance for uncollectible pledges of \$29,369 and \$10,754 - Note 1	52,671	32,717
Pledges receivable - 2019 Campaign, due within one year, net of allowance for uncollectible pledges of \$37,283 - Note 1	-	78,943
Accounts receivables - Other	540	-
Grant receivable - United IN20	-	64,877
Prepaid expenses	3,386	2,919
Property and equipment - Net of accumulated depreciation of \$21,165 and \$21,005 - Notes 1 and 2	-	160
Beneficial interest in United Way Endowment Fund - Notes 4 and 14	317,222	269,910
Investments - Notes 1, 3 and 14	<u>886,198</u>	<u>979,658</u>
 Total assets	 <u>\$1,623,233</u>	 <u>\$1,656,841</u>

LIABILITIES AND NET ASSETS

<u>Liabilities:</u>		
Accounts payable	\$ 3,842	\$ 5,166
Grant payable	13,260	13,394
Accrued expenses	1,380	3,427
Designations payable - 2021 Campaign	11,474	-
Designations payable - 2020 Campaign	6,521	8,253
Designations payable - 2019 Campaign	-	9,720
Designations payable - 2018 Campaign	-	755
Agency accounts payable - Note 12	-	30
PPP loan - Note 5	-	<u>22,500</u>
 Total liabilities	 <u>36,477</u>	 <u>63,245</u>
 <u>Net Assets - Notes 1 and 7:</u>		
Without donor restrictions	901,941	932,014
With donor restrictions	<u>684,815</u>	<u>661,582</u>
 Total net assets	 <u>1,586,756</u>	 <u>1,593,596</u>
 Total liabilities and net assets	 <u>\$1,623,233</u>	 <u>\$1,656,841</u>

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

UNITED WAY OF HUNTINGTON COUNTY, INC.STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETSFOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support and revenue - Note 1 -</u>			
Gross campaign results	\$ 125,652	\$ 148,079	\$ 273,731
Donor designations	(18,597)	(8,422)	(27,019)
(Provision) for uncollectible pledges	<u>(8,995)</u>	<u>(10,754)</u>	<u>(19,749)</u>
Net campaign results	98,060	128,903	226,963
Designations from other United Ways	22,505	-	22,505
Service fees	1,304	169	1,473
Grants -			
Health and wellness	-	32,120	32,120
United IN20	-	64,877	64,877
Economic Relief Initiative	11,250	213,750	225,000
In-kind contributions	3,705	-	3,705
Mini triathlon	1,070	-	1,070
Miscellaneous	738	-	738
Investment return, net - Note 3	60,610	-	60,610
Gain on beneficial interest in United Way Endowment Fund	-	29,374	29,374
Net assets released from restriction	<u>482,034</u>	<u>(482,034)</u>	<u>-</u>
Total support and revenue	<u>681,276</u>	<u>(12,841)</u>	<u>668,435</u>
<u>Program and support services -</u>			
Program services -			
Net funds distributed	367,820	-	367,820
Other program services	<u>195,809</u>	<u>-</u>	<u>195,809</u>
Total program services	<u>563,629</u>	<u>-</u>	<u>563,629</u>
Support services -			
Management and general	53,614	-	53,614
Fundraising	83,137	-	83,137
Unallocated payments to affiliated organization - UWA dues	<u>10,195</u>	<u>-</u>	<u>10,195</u>
Total support services	<u>146,946</u>	<u>-</u>	<u>146,946</u>
Total expenses	<u>710,575</u>	<u>-</u>	<u>710,575</u>
<u>Change in net assets</u>	(29,299)	(12,841)	(42,140)
<u>Net assets, beginning of year</u>	<u>961,313</u>	<u>674,423</u>	<u>1,635,736</u>
<u>Net assets, end of year</u>	<u>\$ 932,014</u>	<u>\$ 661,582</u>	<u>\$ 1,593,596</u>

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

UNITED WAY OF HUNTINGTON COUNTY, INC.STATEMENT OF FUNCTIONAL EXPENSESFOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>	<u>Manage- ment and General</u>	<u>Fund- raising</u>	<u>UWA Dues</u>	<u>Total</u>
Gross distributions	\$383,339	\$ -	\$ -	\$ -	\$ 383,339
Donor designations	(16,847)	-	-	-	(16,847)
Special grants and allocations	<u>1,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,328</u>
Net funds distributed	<u>367,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>367,820</u>
Salaries and wages	22,421	19,984	53,511	-	95,916
Payroll taxes and benefits	<u>2,730</u>	<u>2,010</u>	<u>4,671</u>	<u>-</u>	<u>9,411</u>
Total personnel	25,151	21,994	58,182	-	105,327
Processing and accounting services	-	20,405	-	-	20,405
Professional fees	38	5,485	117	-	5,640
Campaign	-	-	7,753	-	7,753
Bank fees	166	166	496	-	828
Postage	203	253	810	-	1,266
Office supplies	720	720	2,159	-	3,599
Office rent - Note 8	1,770	1,860	5,370	-	9,000
Telephone and utilities	577	607	1,753	-	2,937
Equipment rent	567	596	1,723	-	2,886
Insurance	612	644	1,858	-	3,114
Conferences, training and meetings	183	106	506	-	795
Travel	79	83	241	-	403
Web page	21,888	-	-	-	21,888
Special marketing	1,431	-	-	-	1,431
Grants -					
United IN16	25,000	-	-	-	25,000
United IN18	28,513	-	-	-	28,513
United IN20	2,026	-	-	-	2,026
Economic Relief Initiative	52,560	-	-	-	52,560
Kindergarten Readiness	1,045	-	-	-	1,045
Health and wellness	24,346	-	-	-	24,346
Learning Center	425	-	-	-	425
Charity tracker	5,000	-	-	-	5,000
211 Program	2,500	-	-	-	2,500
Local and state organization dues	630	630	1,892	-	3,152
Depreciation - Note 1	240	54	154	-	448
Miscellaneous	<u>139</u>	<u>11</u>	<u>123</u>	<u>-</u>	<u>273</u>
Subtotal	<u>195,809</u>	<u>53,614</u>	<u>83,137</u>	<u>-</u>	<u>332,560</u>
UWA - Dues	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,195</u>	<u>10,195</u>
Total expenses	<u>\$563,629</u>	<u>\$ 53,614</u>	<u>\$ 83,137</u>	<u>\$10,195</u>	<u>\$ 710,575</u>

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

UNITED WAY OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

Note 1: Organization and summary of significant accounting policies -

Nature of activities - The United Way of Huntington County, Inc. (the Organization), was formed in 1956 as a voluntary not-for-profit organization benefiting the Huntington County, Indiana community. The mission of the Organization is to unite the community through visionary leadership, assessment of needs and the mobilization and dispersion of resources to enhance the quality of life for the citizens of Huntington County. The Organization is governed by a volunteer board of directors and solicits donations from the public in Huntington County and grants monies to various not-for-profit agencies.

Basis of presentation - The Organization records income and expense using the accrual method of accounting and accordingly reflects all significant receivables, payables and other liabilities. Financial statement presentation follows Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASU No. 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Include expendable resources over which the Organization's Board of Directors has discretionary control and are used to carry out the Organization's operations in accordance with its by-laws.

Net assets with donor restrictions - Include resources expendable only for those purposes specified by the donor or grantor. The restrictions are satisfied either by the passage of time or by actions of the Organization. Also, included are resources subject to donor-imposed stipulations that are maintained permanently by the Organization.

Cash and cash equivalents - For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Fixed assets - Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Maintenance and repairs are expensed as they are incurred. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

<u>Assets</u>	<u>Years</u>
Office furniture and equipment	5-7 years
Leasehold improvements	7 years

Depreciation expense totaled \$160 and \$448 for the years ended December 31, 2021 and 2020, respectively.

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

Note 1: Organization and summary of significant accounting policies (Continued) -

Compensated absences - Employees of the Organization are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

Cost deduction - The Organization is committed to compliance with United Way of America's cost deduction requirements for recovering actual costs associated with processing and transferring designated funds.

Functional allocation of expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs for personnel and other overhead costs have been allocated among the programs and supporting services based upon the distribution of staff time.

In-kind contributions - During the years ended December 31, 2021 and 2020, the Organization has recorded the value of contributions meeting the requirements for recognition in the financial statements totaling \$4,850 and \$3,705, respectively. In-kind contributions revenue is recognized as accounting services in 2021 and as campaign expenses in 2020.

Contributed services - During the years ended December 31, 2021 and 2020 a substantial number of volunteers have contributed significant amounts of their time to the Organization and its fund-raising campaigns. These services do not meet the requirements for recognition in the financial statements in accordance with FASB ASC 958-605-50-1, *Accounting for Contributions Received and Contributions Made*, and are not included in the financial statements.

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

Income tax status - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and state income taxes under corresponding provisions of Indiana tax law. Additionally, the Organization is not considered a private foundation under Section 509(a) of the Internal Revenue Code.

UNITED WAY OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

Note 4: Beneficial interest in United Way Endowment Fund - The Organization retains a beneficial interest in an endowment fund held by the Huntington County Community Foundation (Foundation). The designated endowment was established by the Organization's Board of Directors in 1997. Under the agreement with the Foundation, the Foundation has retained variance authority of these funds and therefore the beneficial interest is recorded as a permanently restricted net asset. The Organization is specified as the beneficiary of allocations based on 4% of the net asset value at the end of each year. The Organization's Board has the ability to accept allocations or leave with the Foundation. The beneficial interest is reported at its fair value. Any change in the fair value of the beneficial interest in the fund is reported as an increase or decrease in permanently restricted net assets.

Change in endowment net assets for the years ended December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Net assets, beginning of year	\$269,910	\$240,536
Investment return	49,811	31,822
Administrative fees	<u>(2,499)</u>	<u>(2,448)</u>
Net assets, end of year	<u>\$317,222</u>	<u>\$269,910</u>

Note 5: PPP loan - On July 15, 2020, the Organization received loan proceeds in the amount of \$22,500 under the Paycheck Protection Program (PPP). On March 8, 2021, the Organization received additional loan proceeds of \$18,958 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after 8 to 24 weeks as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 8 to 24 week period. Prior to the end of the year, the Organization met the conditions of loan forgiveness and \$41,458 was forgiven and included in the statement of activities.

Note 6: Funds held for project - The Organization held funds of \$14,684 on behalf of the Learning Center Joint Resolution Project at December 31, 2019. Receipts of \$247 and disbursements of \$14,931 were administered during the year ended December 31, 2020.

Note 7: Net assets without donor restrictions and with donor restrictions - The Board has designated net assets without restrictions at December 31, 2021 and 2020 for the following purposes:

	<u>2021</u>	<u>2020</u>
Board designated -		
Leadership Forever Circle	\$775,061	\$670,745
Six month reserve	96,000	96,000
Emergency fund	<u>15,000</u>	<u>15,000</u>
Total board designated	886,061	781,745
Without donor restrictions	<u>15,880</u>	<u>150,269</u>
Total net assets without donor restrictions	<u>\$901,941</u>	<u>\$932,014</u>

UNITED WAY OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2021 AND 2020

Note 9: Pension plan - On February 24, 2009, the Organization approved converting from a retirement plan under Section 403(b) of the Internal Revenue Code to an Employer Sponsored IRA. All full-time employees are eligible to participate in the Plan. Pension plan expense was \$2,378 and \$2,287 for the years ended December 31, 2021 and 2020, respectively.

Note 10: Description of major program services - The Organization supports other not-for-profit agencies in Huntington County, Indiana serving three impact areas; Education, Financial Stability and Health & Wellness.

Note 11: Concentration of campaign pledges - During the years ended December 31, 2021 and 2020, campaign pledges were received from contributors which exceeded ten percent of the Organization's total gross campaign results for the years as follows:

	<u>2021</u>	<u>Percent</u>
Huntington County Community School Corp.	<u>\$ 46,184</u>	<u>16.49%</u>
	<u>2020</u>	<u>Percent</u>
Huntington County Community School Corp.	\$ 39,638	26.56%
Our Sunday Visitor, Inc.	<u>15,400</u>	<u>10.32</u>
Total	<u>\$ 55,038</u>	<u>36.88%</u>

Note 12: Agency accounts and transactions - Cash or other financial assets received by the Organization in which it is acting as an agent for a resource provider is reported as increases in agency assets and liabilities. Distributions to the specified third-party beneficiaries are reported as decreases in agency assets and liabilities.

Note 13: Net assets with donor restrictions cash balances - At December 31, 2021 and 2020, the cash and cash equivalent balance on the statements of financial position included net assets with donor restrictions totaling \$253,010 and \$322,891, respectively.

Note 14: Fair value of financial instruments - 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 a particular date. Generally accepted accounting principles establishes a fair value hierarchy which requires an organization to maximize observable inputs when measuring fair value. Three levels of inputs may be used to measure fair value as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

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

Level 3: Significant unobservable inputs that reflect an Organization's assumptions about assumptions that market participants would use in pricing an asset or liability.

UNITED WAY OF HUNTINGTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

Note 15: Concentration of credit risks - The Organization maintains several cash and certificate of deposit accounts at eleven financial institutions which are insured by the Federal Deposit Insurance Company (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF). At times, during the years ended December 31, 2021 and 2020, the balances in these accounts may have exceeded the maximum insurable amount of \$250,000. Only interest-bearing accounts with FDIC insured financial institutions have an insurable balance restriction of \$250,000. At December 31, 2020, the Organization had one account in excess of the \$250,000. The Organization has not experienced any losses.

Note 16: Subsequent events - Management has evaluated the activities and transactions subsequent to December 31, 2021 for potential recognition and/or disclosure within the financial statements for the year ended December 31, 2021. This analysis was performed through March 23, 2022, the date the financial statements were available to be issued.



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November 30, 2021

Attn: Board of Directors
United Way of Huntington County, Inc.
356 West Park Drive
Huntington, Indiana 46750

We are pleased to confirm our understanding of the services we are to provide for United Way of Huntington County, Inc. for the year ended December 31, 2021.

Audit Scope and Objectives

We will audit the financial statements of United Way of Huntington County, Inc., which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the disclosures (collectively, the "financial statements").

The objectives of our audit 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 issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. 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. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Organization and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Improper revenue recognition due to fraud
- Misappropriation of assets

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We will also conclude, based on the audit evidence obtained, 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 for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

Other Services

We will prepare the Organization's federal and state information returns and depreciation schedule for the year ended December 31, 2021 based on information provided by you. We will also prepare the financial statements of United Way of Huntington County, Inc. in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the information return, but management must make all decisions with regard to those matters.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At

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the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, investments, and pledges receivable confirmations we request and will locate any documents selected by us for testing.

William Miller is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to plan our audit on December 15, 2021, begin our year-end audit on February 7, 2022, and issue our report no later than March 31, 2022. Your information returns will be completed by the due date of May 16, 2022.

We estimate that our fee for the audit services will not exceed \$11,725 and \$1,400 for the preparation of the information returns. In addition, if your service organization was not audited, an audit of the controls by our firm would be required. The service fee would be \$1,875. We discount our fees 30% for non-profit clients. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Attn: Board of Directors
United Way of Huntington County, Inc.
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Reporting

We will issue a written report upon completion of our audit of United Way of Huntington County, Inc.'s financial statements. Our report will be addressed to the board of directors of United Way of Huntington County, Inc. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Yours very truly,



Culp CPA Group
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of United Way of Huntington County, Inc.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____