2022 ANNUAL IMPACT REPORT

Leading the Effort to Eliminate Poverty in Our Community

CINCINNATI WORKS

A job is just the beginning

OUR WORK

The centerpiece of our work has alwas been one-on-one coaching. Our specific programs have evolved to meet the ever-changing needs of our Members, but our mission and vision have remained the same.

We invest in the staff, technology and partnerships that allow us to connect in multiple ways: at our office in downtown Cincinnati, on the jobsite of local employers, and in the community. Our goal is to meet our Members where they are, with the services they need, when they need us.

Professional Development
soft-skills training

1-on-1 Coaching
to pursue career and financial goals

Employment Support
pre-employement connections, post-employement services

OUR IMPACT

11,500+
total job placements

375% ROI
as we delivered $156.8 million in total community benefits*
from $41.8 million in operating costs from 1996-2020

$126.8 million
in income from those jobs

13+
employers
who contract to have Cincinnati Works coach on-site at their facility

56+
employer partners
who hire our Members

$30 million
in additional community economic benefits*
as our Members paid more in income and sales taxes ($9.2 million) while utilizing fewer social assistance programs ($20.8 million saved)

$936,755
in refunds and credits claimed by Members in 2022
while working with a Cincinnati Works financial coach to file their income tax returns for FREE

**dates from 2021 report by UC Economics Center*

FROM TIANAY AMAT, PRESIDENT & CEO OF CINCINNATI WORKS

Tianay Amat was appointed the President & CEO of Cincinnati Works on May 10, 2022. She brings more than 20 years of experience as a teacher and administrator to the role, and most recently served as Interim Superintendent of Cincinnati Public Schools.

"I am excited to continue to pursue my passion to eliminate poverty with an organization that believes in the resiliency of the human spirit and the collective strength of employer partnerships. Over the past 26 years, Cincinnati Works has eliminated barriers to employment and demonstrated that a job is just the beginning to economic self-sufficiency."

Since I began my role in May 2022, I have had the opportunity to meet so many people in our community who share the passion for Cincinnati Works, many of whom have supported our organization since Dave and Liane Phillips started the organization in 1996.

As we know, it is a critical time for our community. The labor-force participation rate has dropped over the past 20 years and the rate of job openings has more than doubled, leaving employers in virtually all industries in need of more skilled workers. Each year, about one-third of high-school graduates enter the workforce, and most are not aware of the opportunities available in our region so they don't achieve their full potential.

Our team at Cincinnati Works knows that a job is just the first step for our Members. We continue to invest in our staff, programs and services to connect with Members in various ways to help them find self-sufficiency: employment, financial well-being and overall health and wellness.

Our number one priority is to provide our Members with access and advancement to jobs working in partnership with our corporate partners to help them retain their employees, many of whom are our Members.

Over the next few years, we will continue to fulfill the goals of our Strategic Plan to serve our community, our Members and our corporate partners. We are focused on five strategic goals:

- **Member Empowerment:** Improved financial wellness of our Members "beyond the job"
- **Cincinnati Works Staff Empowerment:** Provide staff development opportunities to equip them to serve Members with excellence and compassion while pursuing their own career dreams
- **Employer Experience:** Strengthen employer partnerships to increase job stability and economic mobility of frontline workforce
- **Community Awareness of Cincinnati Works:** Increase organizational awareness to Members, corporate partners and donors to work together to address poverty in our community
- **Financial Stability:** Develop and diversify a sustainable financial strategy to ensure long-term viability

To implement these strategic goals, we will need to continue our community collaboration led by our Cincinnati Works team, with support from our corporate partners and our donors.

I thank you for your continued investment in the mission of Cincinnati Works, and look forward to continued partnerships.

OUR MISSION

Cincinnati Works will partner with all willing and capable people living in poverty to assist them in advancing to economic self-sufficiency through employment.

OUR VISION

We will lead the effort to eliminate poverty in our community.

VALUES

As a non-profit with a mission of ending poverty in our region, we are guided by core values that inform our people, programs, and partnerships.

- Work for the WOW!
- Own the future
- Ring the bell
- Keep standards high
- See the U in humanity

DEI

At Cincinnati Works, we are committed to fostering, cultivating, and preserving a diverse, equitable and inclusive environment for our Members, Staff and Board. Together we are building an inclusive culture that encourages, supports and celebrates the diverse perspectives and voices of our Members, Staff and Board. This inspires us to try new things, take smart risks, speak openly and be bold in our words and actions in support of CW's mission to eliminate poverty.

Since Cincinnati Works opened its doors in April 1996, more than **8,000** people have become Members, and collectively they have earned more than **$125 million** in income from jobs they landed as Members.

When you add the increased income and sales tax those Members have paid, as well as their reduced use of social services, Cincinnati Works has generated **more than $156 million in economic benefits to the region, a 375% ROI.**

COMMUNITY CONVERSATION & RECOMMENDATIONS: REDUCING GUN VIOLENCE IN PRICE HILL

Cincinnati Works' Phoenix Program is an initiative to end gun violence by offering an alternative to the street life, including mentoring and leadership opportunities, as well as standard coaching and support services.

During his many outreach events, Phoenix Program coordinator Mitch Morris would often ask the community, "What do you think are solutions to the gun violence in your neighborhood?" Last year, Cincinnati Works decided to expand on this and find community-led, place-based solutions to the gun violence in East Price Hill, which has the sixth largest volume of gun violence among all 52 neighborhoods in Cincinnati.

Through more than 100 interviews and discussions, four themes emerged from the community. They include:

- Community resources: Community members are not aware of existing resources to prevent gun violence
- Youth activities: Youth in our community do not have sufficient opportunities to be safe, healthy and productive
- Police-community relations: Community members are not reporting gun violence incidents to the police due to a lack of trust or fear of retribution
- Trauma-informed care: Individuals and families impacted by gun violence need trauma-informed support and intervention

REPORT RECOMMENDATIONS

The recommendations from the "Community Conversation: Reducing Gun Violence in Price Hill" focus on three key areas with city funding to support organizations that work with Spanish-speaking residents, provide opportunities for the East Price Hill community and District 3 Police to connect to build trust and create a central database that shares important resources, translated into Spanish.

INVEST IN LEADERS

In many of the interviews, community members expressed a desire to be more informed and involved, but they did not have information on how to do so. One key recommendation is to build a community group in East Price Hill similar to the Neighborhood Action Team in Lower Price Hill. The new community group could distribute important community information, train mental-health advocates and lift the voices of youth, people of color and immigrants.

ENGAGE NEIGHBORHOOD KIDS

The youth of East Price Hill lack communal spaces and age-appropriate activities. Many community members expressed concern about increasing youth violence. So we recommend creating and expanding youth-led programming in the neighborhood. The key recommendation is to increase city Funding to support organizations already working with youth in East Price Hill, including Cincinnati Youth Collaborative and the Boys & Girls Club. Increased Funding should be increased for organizations like the East Price Hill Recreation Center to host youth-centered activities on topics like entrepreneurship, money management and mental health.

INFORM AND INTERVENE VIA NEIGHBORHOOD SCHOOLS

During the community ideation session, many community members suggested increasing information and intervention on gun violence and mental-health services within neighborhood schools. Ideas generated include adding an age-appropriate gun violence curriculum similar to programs at the Center to Prevent Handgun Violence in Washington, D.C. All information should be shared in both English and Spanish.

To read the full report, visit CincinnatiWorks.org.

OUR FOUR STRATEGIC PILLARS

WORKFORCE CONNECTION

Workforce Connection is an innovative social enterprise that brings the holistic employment coaching resources of Cincinnati Works directly to the workplace.

Last year, we served **501 employees** through our Workforce Coaching connections.

WORKFORCE DEVELOPMENT

In 2022, we served **732 individuals** with this individualized program.

Our Job Readiness program starts with an interactive, 3-day workshop covering various job-search and employment topics applicable across all industries. Members learn to find jobs that fit their skills and goals, present themselves appropriately on applications and in interviews, and make the best possible impression on Day One on the job. At the same time, Members and coaches work 1:1 to develop a plan while working to overcome barriers to employment, such as the lack of a high school diploma or reliable transportation to build a career.

YOUTH WORKFORCE

Through partnerships with Cincinnati Public Schools, the Cincinnati Youth Collaborative, the City of Cincinnati, GRAD Cincinnati, and others, we engage young people in the workforce as early as their junior year.

BEACON OF HOPE

Beacon of Hope is a unique ecosystem of businesses, social-service agencies and justice institutions in Greater Cincinnati/Northern Kentucky that support those who are formerly incarcerated as they obtain meaningful work and rebuild their lives.

DONOR & PARTNER RECOGNITION

INTERLINK

Interlink first became connected with Cincinnati Works, after Interlink's Co-Founder and CEO Matt Scherocman began volunteering to assist with our JumpStart training programs. Interlink has become a vital partner for Cincinnati Works, providing both financial support and in-kind technical support.

Matt Scherocman, Mayor John Cranley and Frank Albi

US BANK

US Bank has been a key corporate partner of Cincinnati Works for many years, supporting many of Cincinnati Works' essential programs. Most recently they have supported our Workforce Development efforts which include our Job Readiness Trainings along with Professional and Financial Coaching.

GLENNA & HEATH PARKS

Glenna and Heath Parks are two long-time CW employees. Heath has served as our Information Systems/Salesforce Manager for nearly 10 years and Glenna has held a variety of roles in her 24+ year career as Cincinnati Works' longest tenured employee. Both Glenna and Heath care deeply about Cincinnati Works and the role we play in our community which is why they choose to donate annually to our mission.

JACQUE EDMERSON

Thanks to a generous partnership with TriHealth, Jacque Edmerson has been Cincinnati Works' Director of Clinical Services for over 20 years, providing essential mental health support to our Members. Her passion for the mission of Cincinnati Works has led her to contribute financially in addition to the work that she does every day for our Members.

Jacque Edmerson leads a workshop for Members at Gorilla Glue.

JEAN & WILBERT SCHWARTZ

Jean and Wilbert are among Cincinnati Works' most dedicated supporters, and have made annual donations since the early days of Cincinnati Works. In addition, Wilbert served on the board of Cincinnati Works from 1998-2012.

MARLENE & TED ROBINSON

As a former Arthur Anderson colleague of Cincinnati Works founder Dave Phillips, Ted and his wife Marlene have been significant supporters of Cincinnati Work's mission since the beginning.

CINCINNATI MEMBERS IN THE WORK PLACE

JUANITA GUILFORD

Juanita started at The Christ Hospital 12 years ago as a member of the housekeeping team. After learning about Cincinnati Works, she joined as a Member and accessed a number of programs which helped her get a promotion as a patient representative. “Cincinnati Works means career advancement to me,” said Juanita. “My coach opened doors for me that I didn’t know existed. She helped me update my resume and prepare for my interview that led to my promotion. I have my own office, my own computer and even my own laptop. I love working at The Christ Hospital. We work as a team to help our patients every day.”

DONNY GRESHAM

Donny Gresham was trying to find a job after his release from prison in 2012 and was having no luck until he found Cincinnati Works. Donny has worked for the city of Cincinnati since 2015 and currently works for the Metropolitan Sewer Department, a role he has held since 2019. “I look at Cincinnati Works as family. I still come to the office for tax preparation and for financial counseling on how to best invest my money.”

FRANK COMER

Frank Comer proudly wears his Cincinnati Reds gear as a life-long fan but hasn’t been to a baseball game since 1976. That’s because he was serving a prison sentence for the last 40 years. When Frank was released three years ago, he learned about Cincinnati Works, and immediately made an appointment with a coach. Frank had never held a job so he learned how to complete an application, write a resume and how to interview for jobs. Now three years later, Frank is employed at Nehemiah Manufacturing. “Cincinnati Works is a god send and it was a blessing for me. I would recommend Cincinnati Works for anyone looking to get their life back on track. It helped me do so.”

TASHEA SMITH

Originally Tashea Smith came to Cincinnati Works for assistance in getting her driver’s license reinstated. With coaching and support from Cincinnati Works, Tashea not only got her driver’s license back, she has two new licenses in the health care field where she is employed. Through hard work, she is now licensed as a state-tested nurse aid and has a phlebotomy license. “When I think about Cincinnati Works, I think about the motivation they gave me, I think about team work and how someone always has your back.”

MEET THE CINCINNATI WORKS BOARD OF TRUSTEES

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Cincinnati Works, Inc.

Opinion

We have audited the accompanying financial statements of Cincinnati Works, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cincinnati Works, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Auditors' 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 auditors' 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 Cincinnati Works, 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 Cincinnati Works, 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 audits.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
March 7, 2023

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

		2022	2021
Assets:			
Cash and cash equivalents	$	685,362	1,280,987
Investments		2,167,133	2,379,209
Accounts receivable		651,284	508,374
Contributions receivable, net		1,120,474	925,903
Prepaid expenses and other assets		31,742	52,126
Furniture and equipment, net		144,844	233,504
Operating right-of-use assets		898,076	-
Total assets	$	5,698,915	5,380,103
Liabilities and net assets			
Liabilities:			
Accounts payable	$	29,693	15,919
Accrued expenses		49,767	39,141
Lease liabilities		910,676	-
Total liabilities		990,136	55,060
Net assets:			
Without donor restrictions		2,367,344	3,142,398
With donor restrictions		2,341,435	2,182,645
Total net assets		4,708,779	5,325,043
Total liabilities and net assets	$	5,698,915	5,380,103

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2022 and 2021

		2022	2021
Changes in net assets without donor restrictions			
Revenues, gains and other support:			
Contributions and grants	$	1,452,645	1,383,838
Investment return, net		(399,509)	144,449
Contributed goods and services		134,569	135,120
Employer fees		855,893	603,921
Other income		39,711	1,014,458
Net assets released from restrictions		1,946,050	2,348,161
Total revenues and other support		4,029,359	5,629,947
Expenses:			
Workforce development		2,039,187	2,102,370
Workforce connection		1,149,439	947,058
Transportation		37,015	152,912
Total program services		3,225,641	3,202,340
Management and general		1,156,008	949,868
Fundraising		422,764	471,628
Total support services		1,578,772	1,421,496
Total expenses		4,804,413	4,623,836
Change in net assets without donor restrictions		(775,054)	1,006,111
Changes in net assets with donor restrictions			
Revenues and other support:			
Other contributions and grants		2,104,840	2,513,176
Net assets released from restrictions		(1,946,050)	(2,348,161)
Change in net assets with donor restrictions		158,790	165,015
Change in net assets		(616,264)	1,171,126
Net assets, beginning of year		5,325,043	4,153,917
Net assets, end of year	$	4,708,779	5,325,043

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

	Program						
	Workforce Development	Workforce Connection	Transportation	Total	Management and General	Fundraising	Total Expenses
Salaries, wages and benefits	$ 1,669,296	982,756	19,863	2,671,915	739,340	261,350	3,672,605
Occupancy and utilities	130,195	79,125	2,525	211,845	164,133	20,249	396,227
Equipment and supplies	43,903	17,049	-	60,952	15,952	5,012	81,916
Professional services	76,413	17,307	-	93,720	187,522	78,217	359,459
Direct job seeker and advancement	95,155	21,917	-	117,072	-	-	117,072
Marketing	8,212	7,902	-	16,114	488	38,224	54,826
Bad debt expense	-	-	-	-	-	15,000	15,000
Other	16,013	23,383	14,627	54,023	48,573	4,712	107,308
	$ 2,039,187	1,149,439	37,015	3,225,641	1,156,008	422,764	4,804,413

Year Ended December 31, 2021

	Program						
	Workforce Development	Workforce Connection	Transportation	Total	Management and General	Fundraising	Total Expenses
Salaries, wages and benefits	$ 1,616,562	792,738	98,769	2,508,069	620,866	298,875	3,427,810
Occupancy and utilities	132,571	65,781	8,862	207,214	142,550	24,602	374,366
Equipment and supplies	37,252	16,818	-	54,070	9,754	4,771	68,595
Professional services	44,836	26,702	-	71,538	133,927	46,501	251,966
Direct job seeker and advancement	131,013	15,194	-	146,207	-	-	146,207
Marketing	128,899	18,840	-	147,739	444	59,490	207,673
Bad debt expense	-	-	-	-	-	34,000	34,000
Other	11,237	10,985	45,281	67,503	42,327	3,389	113,219
	$ 2,102,370	947,058	152,912	3,202,340	949,868	471,628	4,623,836

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ (616,264)	1,171,126
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Discount on contributions receivable	8,676	1,635
Depreciation	90,410	98,498
Amortization of operating right-of-use assets	219,530	-
Change in operating lease liabilities	(206,930)	-
Net realized and unrealized (gain) loss on investments	400,069	(100,367)
Gain on disposal of fixed assets	(6,076)	-
Bad debt expense	15,000	34,000
Changes in assets and liabilities:		
Accounts receivable	(142,910)	(355,542)
Contributions receivable	(218,247)	304,086
Prepaid expenses and other assets	20,384	(19,739)
Accounts payable	13,774	(7,164)
Accrued expenses	10,626	(24,567)
Net cash provided (used) by operating activities	(411,958)	1,101,966
Cash flows from investing activities:		
Purchases of furniture and equipment	(30,194)	(61,079)
Purchases of investments	(1,845,992)	(4,368,948)
Sales and maturities of investments	1,657,999	3,141,594
Proceeds from sale of fixed assets	34,520	-
Net cash used by investing activities	(183,667)	(1,288,433)
Net change in cash and cash equivalents	(595,625)	(186,467)
Cash and cash equivalents at beginning of year	1,280,987	1,467,454
Cash and cash equivalents at end of year	$ 685,362	1,280,987
Supplemental cash flow disclosures of non-cash activities:		
Right-of-use assets obtained in exchange for operating lease liabilities	$ 1,117,606	-

1. NATURE OF OPERATIONS:

Cincinnati Works, Inc. (the "Organization") is a not-for-profit corporation serving the Greater Cincinnati community, whose mission is to partner with all willing and capable people living in poverty to assist them in advancing to economic self-sufficiency through employment. The Organization's revenue and other support are derived principally from contributions and grants.

The Organization serves the Greater Cincinnati community through its Workforce Development programs that provide job seekers with soft skills, access to employers, and lifetime coaching to be successful, promotable employees.

Workforce Connection is a fee-based service that assists local employers and their employees to improve employee retention through the use of on-site employment coaches that facilitate job retention services, work supports, education and training.

The Organization provided fee-based transportation services to assist its members to reach employer partner locations that lie beyond traditional bus lines. This program was discontinued in 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Adoption of new accounting standard

During 2022, the Organization adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-02, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of the lease commencement. Leases will be classified as either financing or operating. This distinction is relevant for the pattern of expense recognition in the statement of activities. This standard has been applied using the modified retrospective method with the effective date option for all leases existing at January 1, 2022, the date of initial application. Consequently, financial information will not be updated, and disclosures required under ASC 842 will not be provided for periods before January 1, 2022.

During 2022, the Organization adopted FASB ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-Financial Assets.* The standard requires contributed nonfinancial assets be presented as a separate line item in the statements of activities, apart from contributions of cash and other financial assets, and enhanced disclosures including the Organization's policy for valuation and monetization of contributed non-financial assets and any donor-restrictions attached to the assets. This standard has been applied retrospectively.

Basis of presentation

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

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

With donor restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization, or the passage of time. Certain net assets are subject to donor-imposed stipulations that must be maintained in perpetuity by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general purposes.

Revenue recognition

Contributions, including certain grants from foundations, corporations, and government agencies, are recorded in the appropriate net asset class when the promise to give is received. For grants where the receipt of payment is conditional, revenue is recognized as contractual services are performed and the eligible expenses are incurred. When a donor stipulated time or purpose restriction ends, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Gifts and investment income with donor-imposed restrictions for which the restriction is met in the same period are recorded as with donor restriction and then released from restriction.

Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue. Allowance is made for uncollectible contributions based upon management's judgment and the creditworthiness of the donor. No allowance was deemed necessary in 2022 or 2021.

The Organization records contributed social worker and information technology services. Contributed services are recognized at the estimated fair value based upon rates provided by the donor or similar services and are only recorded if they create or enhance non-financial assets or require specialized services. For the years ended December 31, 2022 and 2021, contributed services did not have donor-imposed restrictions.

The Organization's revenue from contracts with customers are included in employer fees on the statements of activities and consists of revenue earned for ongoing services provided to other organizations related to coaching and mentoring. Contracts typically have short durations and are considered to be earned over a period of time. Revenue is earned and billed when the performance obligation of the contract is completed. The Organization's accounts receivable at January 1, 2021 was $186,832.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. The Organization maintains cash in deposit accounts, which, at times, may exceed federally ensured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash. Cash in excess of federally insured limits is approximately $128,000 and $1,231,000 on December 31, 2022 and 2021, respectively.

Accounts receivable

Accounts receivable are stated at the original invoiced amount less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its receivables and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. The Organization believes all receivables are fully collectible at December 31, 2022 and 2021.

Investments

Investments in marketable and debt securities with readily determinable fair values are reported at their fair values in the statements of financial position. Dividends, interest income, realized gains and losses on security transactions, unrealized holding gains or losses on investments and investment expenses are included as investment return on the statements of activities.

Furniture and equipment

The Organization's policy is to capitalize furniture and equipment purchased or donated having a cost in excess of $1,000. All items are recorded at cost less accumulated depreciation. Computer equipment, software and licenses are depreciated on a straight-line basis over a three-year period. Furniture is depreciated on a straight-line basis over a five-year period.

Income taxes

The Organization is exempt from federal income tax under Internal Revenue Code (the "Code") section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

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. Certain costs have been allocated among the benefited programs and supporting services based on direct identification, time studies and other methods. The following functional expense categories are allocated based on monthly time studies: salaries, wages and benefits, occupancy and utilities, equipment and supplies, marketing, and other expenses.

Concentration of credit risk

Concentrations within revenue and receivables exist when an individual donor equals or exceeds 10% of total contribution revenue and receivables, respectively. During 2022, two donors accounted for 32% of total contribution revenue and four donors accounted for 72% of total contributions receivable. During 2021, three donors accounted for 54% of total contribution revenue and four donors accounted for 73% of total contributions receivable.

Subsequent events

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements considered events through March 7, 2023, the date on which the financial statements were available to be issued.

3. CONTRIBUTIONS RECEIVABLE, NET:

Contributions receivable at December 31 consisted of the following:

	2022	2021
Due within one year	$ 863,326	730,580
Due in one to five years	268,000	197,499
	1,131,326	928,079
Less unamortized discount at 4.41% and .97%	10,852	2,176
	$ 1,120,474	925,903

4. FURNITURE AND EQUIPMENT:

Furniture and equipment consist of the following at December 31:

	2022	2021
Furniture	$ 144,911	142,684
Software	188,145	190,339
Equipment	120,426	165,890
	453,482	498,913
Less accumulated depreciation	308,638	265,409
Furniture and equipment, net	$ 144,844	233,504

5. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions exist for the following purposes as of December 31:

	2022	2021
Subject to the passage of time	$ 194,500	371,250
Subject to expenditures for specific purpose:		
Workforce Development	707,372	742,023
Workforce Connection	300,625	-
Transportation	-	3,903
Other	103,472	30,003
	1,305,969	1,147,179
Investment held in perpetuity	1,035,466	1,035,466
Total net assets with donor restrictions	$ 2,341,435	2,182,645

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time. A summary of restrictions satisfied is as follows for the years ending December 31:

	2022	2021
Time restriction expired	$ 185,750	647,750
Satisfaction of purpose restrictions:		
Workforce Development	1,222,678	1,170,813
Workforce Connection	373,549	249,915
Transportation	3,903	36,097
The Network	-	83,396
Other	160,170	160,190
	1,760,300	1,700,411
Total net assets released from donor restrictions	$ 1,946,050	2,348,161

6. FAIR VALUE MEASUREMENTS:

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

Level 2: Inputs for the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

Fair value methods and assumptions on investments consisting of cash and cash equivalents, fixed income and mutual funds are valued on Level 1 inputs.

The preceding methods described may provide a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

The following table presents the Organization's assets at December 31, 2022 that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy:

	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments:				
Cash and cash equivalents	$ 61,030	61,030	-	-
Fixed income funds	727,489	727,489	-	-
Equity funds:				
Large cap global and domestic	928,957	928,957	-	-
Small and mid-cap domestic	228,490	228,490	-	-
Developing international	149,829	149,829	-	-
Emerging markets	71,338	71,338	-	-
	$ 2,167,133	2,167,133	-	-

The following table presents the Organization's assets at December 31, 2021 that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy:

	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments:				
Cash and cash equivalents	$ 570,239	570,239	-	-
Fixed income funds	578,997	578,997	-	-
Equity funds:				
Large cap global and domestic	712,718	712,718	-	-
Small and mid-cap domestic	172,433	172,433	-	-
Developing international	220,502	220,502	-	-
Emerging markets	124,320	124,320	-	-
	$ 2,379,209	2,379,209	-	-

7. ENDOWMENT FUNDS:

Financial Accounting Standards Board (FASB) guidance requires that the net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's endowment consists of funds established to provide income to support operations. Its endowment includes donor-restricted funds.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds 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 perpetually restricted net assets (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. 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 fund; the purposes of the Organization and the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources of the Organization and the investment policies of the Organization.

Return objectives and risk parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide for long-term growth of principal without undue exposure to risk. The return objective shall be accomplished using a balanced strategy of equity, fixed income securities, mutual funds and cash equivalents. The performance objectives will be measured against appropriate industry benchmarks such as the MSCI ACWI Net Index, Bloomberg Barclay's Global Aggregate Index and Bank of America 91-day Treasury Bill Index.

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).

Spending policy and how the investment objectives relate to spending policy

The Organization has a policy to allow management the flexibility to draw a maximum of 4.5% of its endowment funds' average fair value over the trailing 12 quarters. The formula is applied to the twelve calendar quarters ending June 30 prior to the December 31, year end in question. The Organization will begin drawing funds from the endowment in 2023.

Changes in endowment assets are as follows for the years ended December 31:

	2022	2021
Endowment assets at beginning of year	$ 1,108,614	72,941
Net investment return	(172,984)	29,582
Contributions	-	1,006,091
Endowment assets at end of year	$ 935,630	1,108,614

Endowment assets that are permanently restricted at December 31, 2022 and 2021 are $1,035,466.

8. OFFICE LEASES:

The Organization leases office space under a noncancelable operating lease which is subject to terms of renewal and escalation clauses. Since the Organization's lease does not provide an implicit interest rate to determine the present value of lease payments, management uses the risk-free rate available at the lease commencement which was 1.37%. The Organization recognized an operating lease right-of-use asset and related lease liability of $1,081,614 at January 1, 2022. The lease ends December 31, 2026 and provides the option to renew two three-year periods. Due to the changing needs of the community the Organization serves, it is unknown at this time if the renewal options will be exercised. The Organization has elected to implement the practical expedient of not separating lease components from nonlease components.

The Organization leases office equipment under a noncancelable operating lease which will terminate November 15, 2025. Based on an estimated discount rate of 1.37%, the Organization recognized an operating lease right-of-use asset and related lease liability of $35,992 at January 1, 2022.

Rent expense for 2022 and 2021 totaled $233,293 and $205,240, respectively. The Organization's weighted average remaining lease term at December 31, 2022 is 3.97 years.

The following is a schedule of future minimum lease payments for the years ended December 31:

2023	$ 226,713
2024	233,153
2025	238,806
2026	236,880
	935,552
Present value discount	(24,876)
Total lease liabilities	$ 910,676

During 2022 and 2021, a former board member subleased certain office space and reimbursed the Organization for this and certain other office expenses totaling $7,795 and $8,734, respectively.

9. RETIREMENT PLAN:

The Organization has a defined contribution plan (the "Plan") covering substantially all employees. Under the terms of the Plan, the Organization has the discretion to make contributions to the Plan. In addition, employees may elect to participate in the salary deferral portion of the Plan. Participants vest in employer contributions at a rate of 33.3% each year and are fully vested after three years. During 2022 and 2021, employer contributions totaled $148,115 and $143,510, respectively.

10. LIQUIDITY:

The goal of the Organization is generally to maintain financial assets to meet at least 90 days of operating expenses. The Organization is substantially supported by contributions and grants and invests excess cash in short-term investment accounts to earn interest.

The following table presents the financial assets available to meet cash needs for general expenditures within one year at December 31:

	2022	2021
Financial assets:		
Cash and cash equivalents	$ 685,362	1,280,987
Investments	2,167,133	2,379,209
Accounts receivable	651,284	508,374
Contributions receivable, current	863,326	730,580
Financial assets available at year-end	4,367,105	4,899,150
Less those unavailable for general expenditures within one year due to:		
Contributions receivable with purpose restrictions	250,000	-
Donor restricted endowment	1,035,466	1,035,466
Cash with donor restrictions	229,722	255,661
	1,515,188	1,291,127
Financial assets available to meet cash needs for general expenditures within one year	$ 2,851,917	3,608,023

11. PAYCHECK PROTECTION PROGRAM AND EMPLOYEE RETENTION CREDIT:

On May 6, 2020, in response to the outbreak of COVID-19, the Organization entered into a loan of $565,300 under the Small Business Administration's (SBA) Paycheck Protection Program (PPP). The loan bears interest at 1% and is due on May 6, 2022. The PPP program allows for a portion of the loan (up to the full amount) to be forgiven based on qualifying expenses. The loan is considered a conditional contribution in accordance with Accounting Standards Update (ASU) ASU 2018-08, which also encompasses cancellation of liabilities. During 2020, the Organization incurred qualifying expenses of $565,300 and recognized the full amount in other income on the statement of activities. The full amount of the loan was forgiven June 11, 2021.

On February 8, 2021, the Organization entered into a second loan totaling $565,300 under the SBA PPP. The loan bears interest at 1% and matures in February 2026. During 2021, the Organization incurred qualifying expenses of $565,300 and recognized the full amount in other income on the statement of activities. The full amount of the loan was forgiven August 24, 2021.

Under the provisions of the Coronavirus Aid, relief, and Economic Security Act (the "CARES Act") signed into law on March 27, 2020 and the subsequent extension of the CARES Act, the Organization was eligible for a refundable employee retention credit subject to certain criteria. The Organization recognized employee retention credit income of approximately $326,000 and recognized the full amount in other income on the statement of activities during the year ended December 31, 2021.

12. CONDITIONAL CONTRIBUTIONS:

As of December 31, 2022, the Organization has an outstanding balance of approximately $362,000 related to cost reimbursement grants with contract terms spanning multiple fiscal years. No amounts have been recognized during 2022 as the conditions have not been satisfied.

13. RELATED PARTY TRANSACTIONS:

One member of the Board of Trustees is an owner of a professional service firm that provided services to the Organization during 2021 and 2022. Management believes that the services provided are at arms'-length. During 2022 and 2021, the Organization paid $74,375 and $10,000 for these services, respectively.

MEET THE CINCINNATI WORKS TEAM

ADMINISTRATION

Mike Cheney, Chief Financial Officer
Sharlene Finkelstein, Administrative Services Manager
Mary Bennett Brown, Chief Human Resource Officer
Terri Wilson, Director of Learning & Development
Nick Jones, Adult Learning & Development Manager
Samantha Dewald, Senior Project Manager

EXTERNAL RELATIONS

Wendy Kobler, Chief Development & External Relations Officer
Teddy Gumbleton, Development Manager
Susan Roschke, Grants & Donor Data Manager

WORKFORCE CONNECTION

Ross Turpeau, Chief Workforce Officer
Adam White, Director of Employment Services
Emerald Clay, Staffing Coordinator
Rayshun Holt, Beacon of Hope Program Manager
Kristina Johnson, Employer Partnerships Manager
Sid Taylor, Director of Workforce and Coaching
Alexandria Brown, Workforce Coach
Karla Dunn, Workforce Coach
Jill Gassett, Workforce Coach
DaJisha Hubbard, Workforce Coach
Fineice Richardson, Workforce Coach
Verna Johnson-Shearer, Workforce Coach
Chris Sutton, Workforce Coach
Gene Tucker, Workforce Coach

PROGRAMS AND OPERATIONS

Calista Hargrove, Chief of Programs and Operations
Leslie Kish, Director of Operational Excellence
Heath Parks, Information Systems / Salesforce Manager
Rhonda Donahue, Continuous Improvement Coordinator
Mitchell Morris, Phoenix Program Outreach & Mentoring
Davinn Knight, Phoenix Program Outreach Worker
Mitchell Morris Jr., Phoenix Program Outreach Worker
Charles Williams, Phoenix Program Outreach Worker
Lisa Mauthe, Director of Financial Wellness
Peter Beck, Financial Coach
Sharon Carr, Workforce Financial Coach
Kerstyn Evans, Financial Coach
Jason Fishburn, Financial Coach
John Hollis, Financial Coach
Charnae Thompson, Financial Coach
Nina Vogt, POAH Financial Coach
Stephanie Price, CW Partnership Supervisor
Ken Wilson, Community Engagement Coordinator
Glenna Parks, Career Center Coordinator
Terana Boyd, Barrier Removal Coordinator
Jacque Edmerson, Director of Clinical Services (TriHealth)

In 2022, Cincinnati Works calculated a total of **$506,213** in wealth account contributions for its members.

Last year, Cincinnati Works assisted with **1,117 tax returns** for its Members earning refunds and credits totaling **$994,708.**

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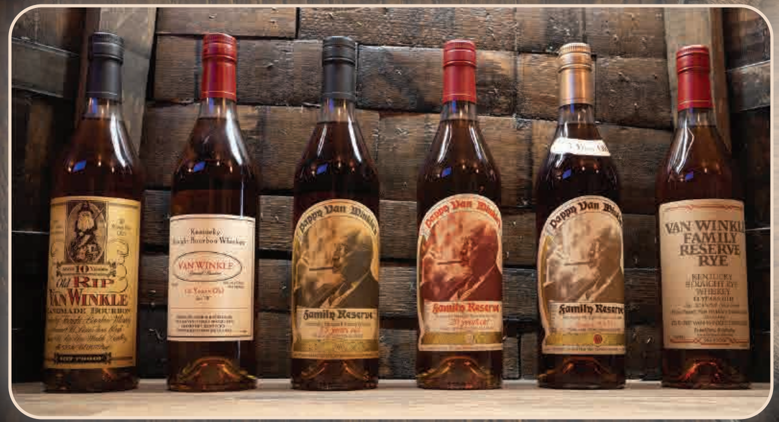

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WHERE MegaCorp Pavilion **IN** Newport, KY

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