

**UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
(A NONPROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

YEARS ENDING JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
United Way of Rutherford and Cannon Counties

Opinion

We have audited the accompanying financial statements of United Way of Rutherford and Cannon Counties (a nonprofit organization) which comprise the statements of financial position as of June 30, 2022 and 2021 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Rutherford and Cannon Counties as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Rutherford and Cannon Counties and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Rutherford and Cannon Counties' 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 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 audits.
- 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 Rutherford and Cannon Counties' 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 Rutherford and Cannon Counties' 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 21 - 22 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Murfreesboro, Tennessee
August 8, 2022

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 600,130	\$ 674,837
Pledges receivable	992,971	983,341
Prepaid expenses	22,835	9,240
Investments	1,335,636	1,404,697
Beneficial interest in assets held by Community Foundation of Middle Tennessee	85,358	96,883
Cash surrender value of donor life insurance policy	202,236	132,782
Property and equipment, net	62,352	83,477
TOTAL ASSETS	\$ 3,301,518	\$ 3,385,257
LIABILITIES		
Accounts payable	\$ 13,665	\$ 9,757
Allocations due to agencies	1,027,123	1,076,463
Due to designated agencies	115,218	132,849
Deferred revenue	83,975	98,880
Accrued expenses	63,740	52,957
Paycheck protection program	-	132,242
TOTAL LIABILITIES	1,303,721	1,503,148
NET ASSETS		
Without restrictions	1,010,827	901,708
With restrictions	986,971	980,402
TOTAL NET ASSETS	1,997,797	1,882,109
TOTAL LIABILITIES AND NET ASSETS	\$ 3,301,518	\$ 3,385,257

See notes to the financial statements and independent auditors' report.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022 and 2021

	2022		Total	Summarized 2021 Totals
	Without Restrictions	With Restrictions		
Public Support and Revenues:				
Campaign results for prior years:				
Gross campaign results - prior years	\$ 110,588	\$ -	\$ 110,588	\$ 145,942
Prior year campaign released from restriction	980,402	(980,402)	-	-
Total campaign results - prior years	1,090,990	(980,402)	110,588	145,942
Less donor designations	(20,259)	-	(20,259)	(5,275)
Less provision for uncollectible pledges	(6,021)	-	(6,021)	(4,011)
Net campaign revenue prior year	1,064,710	(980,402)	84,308	136,656
Gross campaign results - current year	1,265,744	986,971	2,252,715	2,272,287
Less donor designations	(214,679)	-	(214,679)	(258,994)
Less provision for uncollectible pledges	(186,155)	-	(186,155)	(306,824)
Net campaign revenue - current year	864,910	986,971	1,851,881	1,706,469
Total campaign revenue	1,929,619	6,569	1,936,188	1,843,125
Other contributions	139,778	-	139,778	208,545
Fundraising event revenues	165,475	-	165,475	73,700
Program revenues	285,388	-	285,388	396,549
Grant revenues	184,302	-	184,302	-
Change in value of beneficial interest in assets held by The Community Foundation	(13,364)	-	(13,364)	16,738
Net unrealized/realized (loss) gain on securities, net of investment fees	(173,844)	-	(173,844)	240,224
Net unrealized gain on other asset	19,496	-	19,496	21,855
Dividend and interest income	26,487	-	26,487	22,137
Paycheck Protection Program loan forgiven	132,244	-	132,244	132,242
TOTAL SUPPORT AND REVENUES	2,695,582	6,569	2,702,151	2,955,115
Expenses:				
Program services				
Gross funds awarded to agencies	1,236,079	-	1,236,079	1,325,647
Less: donor designations	(214,679)	-	(214,679)	(258,994)
Net funds awarded to agencies	1,021,400	-	1,021,400	1,066,653
Community Building Initiatives	849,958	-	849,958	681,785
Total Program services	1,871,358	-	1,871,358	1,748,438
Supporting services				
Management and general	315,121	-	315,121	327,834
Fundraising	399,985	-	399,985	264,685
TOTAL EXPENSES	2,586,463	-	2,586,463	2,340,956
CHANGE IN NET ASSETS	109,119	6,569	115,688	614,158
Net assets, beginning of year	901,708	980,402	1,882,109	1,267,951
Net assets, end of year	\$ 1,010,827	\$ 986,971	\$ 1,997,797	\$ 1,882,109

See notes to the financial statements and independent auditors' report.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services	Supporting Services		Total
	Community Building Initiatives	Fundraising	Management and General	
Salaries and wages	\$ 292,004	\$ 201,769	\$ 178,119	\$ 671,892
Payroll taxes and benefits	60,300	41,666	36,783	138,749
	<u>352,304</u>	<u>243,435</u>	<u>214,902</u>	<u>810,641</u>
Books from birth	209,843	-	-	209,843
Other program	29,188	-	-	29,188
Bank services fees	-	-	4,441	4,441
Promotional items	1,584	1,094	966	3,644
Depreciation	12,229	8,450	7,460	28,139
Equipment maintenance/rental	5,458	3,771	3,329	12,558
Special events	-	72,525	-	72,525
Other community events	100,125	-	-	100,125
General insurance	2,392	1,653	1,459	5,505
Dues and subscriptions	5,265	3,638	3,212	12,115
United Way World Wide dues	19,864	13,726	12,117	45,707
211 Dues	25,240	-	-	25,240
Miscellaneous	7,852	5,426	4,790	18,068
Rent	14,391	9,944	8,778	33,113
Office supplies	1,967	1,359	1,200	4,525
Technology	17,357	11,994	10,588	39,939
Professional services	-	-	21,512	21,512
Outside marketing consultant	-	100	-	100
Postage	6,804	4,701	4,150	15,655
Printing and publication	5,726	3,956	3,493	13,175
Data subscriptions	11,801	-	-	11,801
Taxes	-	-	179	179
Travel	14,653	10,125	8,938	33,716
Telephone	4,889	3,378	2,982	11,248
Staff appreciation	1,026	709	626	2,362
	<u>849,958</u>	<u>399,985</u>	<u>315,121</u>	<u>1,565,063</u>
TOTAL OPERATIONS				
Gross funds awarded to agencies	1,236,079	-	-	1,236,079
Less: donor designations	(214,679)	-	-	(214,679)
	<u>1,021,400</u>	<u>-</u>	<u>-</u>	<u>1,021,400</u>
Net allocation				
TOTAL EXPENSES	\$ <u>1,871,358</u>	\$ <u>399,985</u>	\$ <u>315,121</u>	\$ <u>2,586,463</u>

See notes to the financial statements and independent auditors' report.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Supporting Services		Total
	Community Building Initiatives	Fundraising	Management and General	
Salaries and wages	\$ 225,940	\$ 146,861	\$ 192,049	\$ 564,850
Payroll taxes and benefits	47,257	30,717	40,169	118,143
	<u>273,197</u>	<u>177,578</u>	<u>232,218</u>	<u>682,993</u>
Books from birth	200,854	-	-	200,854
Other program	23,038	-	-	23,038
Bank services fees	-	-	2,490	2,490
Promotional items	1,258	818	1,069	3,144
Depreciation	11,180	7,267	9,503	27,950
Equipment maintenance/rental	4,616	3,000	3,923	11,539
Special events	-	25,079	-	25,079
Other community events	43,611	-	-	43,611
General insurance	2,143	1,393	1,822	5,358
Dues and subscriptions	4,182	2,718	3,555	10,455
United Way World Wide dues	19,321	12,559	16,423	48,302
211 Dues	25,726	-	-	25,726
Miscellaneous	3,748	2,436	3,186	9,370
Rent	13,245	8,609	11,258	33,113
Office supplies	1,506	979	1,280	3,764
Technology	15,961	10,375	13,567	39,903
Professional services	-	-	14,331	14,331
Outside marketing consultant	-	2,000	-	2,000
Postage	4,800	3,120	4,080	11,999
Printing and publication	3,088	2,007	2,625	7,721
Data subscriptions	23,007	-	-	23,007
Taxes	-	-	296	296
Travel	1,747	1,135	1,485	4,367
Telephone	4,266	2,773	3,626	10,665
Staff appreciation	1,292	840	1,098	3,230
	<u>681,785</u>	<u>264,685</u>	<u>327,834</u>	<u>1,274,303</u>
TOTAL OPERATIONS				
Gross funds awarded to agencies	1,325,647	-	-	1,325,647
Less: donor designations	(258,994)	-	-	(258,994)
	<u>1,066,653</u>	<u>-</u>	<u>-</u>	<u>1,066,653</u>
Net allocation				
TOTAL EXPENSES	\$ <u>1,748,437</u>	\$ <u>264,685</u>	\$ <u>327,834</u>	\$ <u>2,340,956</u>

See notes to the financial statements and independent auditors' report.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 115,688	\$ 614,158
To reconcile change in net assets to net cash provided by operating activities		
Depreciation	28,139	27,950
Change in value of beneficial interest in assets held by The Community Foundation	11,525	(18,265)
Net unrealized and realized (gain) loss on investments	173,844	(240,224)
(Increase) decrease in:		
Pledges receivable, net	(9,630)	(92,459)
Prepaid expenses	(13,595)	472
Cash surrender value of donor life insurance policy	(69,454)	(21,855)
Increase (decrease) in:		
Accounts payable	3,908	(4,262)
Accrued expenses	10,783	4,201
Deferred revenue	(14,905)	25,564
Due to designated agencies	(17,631)	9,468
Due to agencies	(49,340)	140,852
Paycheck protection program	(132,242)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	37,090	445,600
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(7,014)	(7,202)
Purchases of investments, net	(104,783)	(220,484)
NET CASH USED BY INVESTING ACTIVITIES	(111,797)	(227,686)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(74,707)	217,914
Cash and cash equivalents, beginning of year	674,837	456,923
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 600,130	\$ 674,837

See notes to the financial statements and independent auditors' report.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The United Way of Rutherford County dba United Way of Rutherford and Cannon Counties (the “Organization”) is a member of United Way World Wide. The Organization’s mission is to improve lives by advancing opportunities for education, health, and financial stability for all. The Organization serves as a primary community solutions leader that produces measurable, sustainable results through mobilizing and engaging businesses, other non profits, individuals, and governmental agencies to build a stronger community.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Recently Adopted Accounting Standards

In July 2021, the Organization adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The adoption of this guidance did not have a material impact on the Organization’s financial statements.

Basis of Presentation

Net assets, revenues, gains and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that can be filled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by the net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Cash and cash equivalents

The Organization’s cash and cash equivalents consist of demand deposits with banks with maturities of three months or less. The Organization does not include money market accounts in cash equivalents that are considered part of their investment accounts.

The Organization maintains its operating bank accounts primarily at one financial institution. The Federal Deposit Insurance Corporation (“FDIC”) insures accounts at this financial institution. The Organization maintains its cash in bank deposit accounts which, at times, may exceed FDIC limits. The Organization has not experienced any losses in such accounts.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value, based on prior years' experience and management's analysis of specific promises made. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in public support and revenues. Conditional promises to give are not included as support until such time as the conditions are substantially met.

The Organization utilizes historical data as well as management's opinion of current economic conditions to estimate the allowance for uncollectible pledges. Pledges not collected approximately twelve months after the Organization concludes its annual fundraising campaign become delinquent and are written off during the subsequent six to nine months.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments

Investments are in marketable securities, mutual funds, and fixed income securities and are reported at fair value. The fair value of investments is determined by reference to quoted market prices. Investment purchases and sales are accounted for on the trade date. Realized gains and losses on the sale of securities are recognized based on the sale proceeds compared to the original cost of the investment when acquired, on a specific identification method. Dividend income is recognized on the ex-dividend date while interest income is recognized on the accrual basis.

Property and Equipment

Property and equipment are recorded at cost or fair value at the date of gift for donated property. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Expenditures for maintenance, repairs and renewals are charged to operations as incurred, and betterments greater than \$1,000 are capitalized. The building improvements are depreciated over 10 years and furniture and equipment over 5-7 years.

Deferred Revenue

Deferred revenue results from the Organization recognizing contributions and public support in the period in which the annual campaign is attributable. Accordingly, contributions for events and campaigns attributable to the subsequent year are deferred until the proper period.

Grants Payable

The Organization makes grants to the various nonprofits it supports in June of each year to be paid over the next 12 months. The grants in general are considered unconditional obligations when awarded resulting in a liability recorded at that time.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Designated pledges

A designated pledge is a contribution to the Organization that is to be paid to a donor specified charity. This is an agency transaction that is recorded as a liability and is not included in public support and revenue.

The Organization's policy is for the community investment committee, which is made up community volunteers, to set investment amounts per program with designated donor contributions being the first dollars in. Any supplemental amount is invested from the unrestricted pool.

Revenue Recognition

Public support and contributions received are recorded as revenue and net assets with or without donor restrictions, depending on the existence and nature of any donor restrictions or by law. In general, grants received by the Organization are considered contributions.

Public support and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or the purpose of restriction is accomplished), net assets with donor restrictions are reclassified and reported in the statements of activities as net assets without donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reports as net assets without donor restrictions.

Fundraising event and program revenues received are not recognized until the revenue is earned, which is at the time of the event or when the services are provided, and the Organization does not believe it is required to provide additional goods or services to fulfill its related performance obligation. Reciprocal transactions within program revenues are generally registration fees or ticket sales which are recognized as revenue upon conclusion of the event.

Individuals may volunteer their time and perform a variety of tasks that assist the Organization at fundraising activities. As of July 1, 2022 and 2021, these services did not meet the criteria for recognition as contributed services and have not been recorded in the financial statements.

Non-cash donations such as books, that the Organization uses to support the Books from Birth program are recorded as revenue at fair market value and a related expense is recorded as the items are used.

Functional expenses

The Organization's expenses are allocated to its programs and supporting services based upon direct expenditures incurred. Any expenditure that is not directly allocated is allocated among program and supporting services on a reasonable basis that is consistently applied generally based upon an analysis of personnel time allocated to each function.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is a not-for-profit organization that is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and classification by the Internal Revenue Service as an other than private foundation. Accordingly, no provision for federal income taxes is included in the accompanying financial statements.

A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2022 and 2021, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

As of June 30, 2022 and 2021, the Organization has accrued no interest and no penalties related to uncertain tax positions. It is the Organization’s policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Organization files a U.S. Federal information tax return. The Organization is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ended June 30, 2022, 2021, and 2020.

Paycheck Protection Program

During 2021, the Organization applied for a 2nd round loan in the amount of \$132,242 from the Small Business Administration (“SBA”) under the terms of the Paycheck Protection Program. The Organization has obtained forgiveness on repayment of the Paycheck Protection Program funds from the SBA and they are accounted for in revenue as of June 30, 2022.

NOTE B - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Beneficial interests in assets held by others represent assets transferred to and held by the Community Foundation of Middle Tennessee, Inc. (the “Foundation”) The Foundation has variance power and is the legal owner of the funds contributed by the Organization. The Organization is the beneficiary of the fund and receives distributions of income, subject to the Foundation’s spending policy. The Organization accounts for its beneficial interest in the Foundation as an asset and is valued at fair market value based upon its proportional share of the value of the trust assets.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE C – PLEDGES RECEIVABLE

Included in pledges receivable are the following unconditional promises to give as of June 30, 2022 and 2021:

	2022		2021
2020 Campaign:		2019 Campaign:	
Undesignated	\$ 38,671	Undesignated	\$ 77,566
Designated	-	Designated	-
2021 Campaign:		2020 Campaign:	
Undesignated	1,035,318	Undesignated	1,157,728
Designated	115,218	Designated	129,497
2022 Campaign:		2021 Campaign:	
Undesignated	6,000	Undesignated	2,940
Designated	-	Designated	-
Total	1,195,207	Total	1,367,731
Less allowance for uncollectible pledges	(202,236)	Less allowance for uncollectible pledges	(384,390)
Total pledges receivable	\$ 992,971	Total pledges receivable	\$ 983,341

All pledge receivables are deemed collectible within one year therefore no estimation by discounting of future cash flows using a risk-free rate of return is required.

NOTE D - INVESTMENTS

Investments are stated at fair value and are summarized as follows as of June 30, 2022 and 2021:

	2022	2021
Cash	\$ 54,813	\$ 62,103
Money market funds	164,840	149,407
Equities-mutual funds, ETFs	848,148	917,165
Fixed income-mutual funds, ETFs	267,835	276,022
	\$ 1,335,636	\$ 1,404,697

NOTE E – FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* (“FASB ASC 820”), provides the 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).

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE E – FAIR VALUE MEASUREMENTS (CONTINUED)

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

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

Level 2- inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets in active markets
- inputs other than quoted prices that are observable for the asset
- inputs that are derived principally from or cooperated by observable market data

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

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used at June 31, 2022 and 2021.

- (i) *Money market and equity and fixed income mutual funds and ETFs:* Valued at the net asset value of shares held by the Plan at year end based on a quoted price in an active market.
- (ii) *Beneficial interest in assets held at the Community Foundation:* Valued, as a practical expedient, at fair value of the Organization's share of the investment pool as of the measurement date. The Community Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Community Foundation, which includes private placements and other securities for which prices are not readily available, are determined by the management of the Community Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, estimated fair values may differ significantly from the values that would have been used had a readily available market existed for these investments. The Organization considers the measurement of its beneficial interest to be a Level 3 measurement within the fair value measurement hierarchy because even though that measurement is based on the unadjusted fair value of assets, the Organization will never receive those assets or have the ability to direct redemption of them.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE E – FAIR VALUE MEASUREMENTS (CONTINUED)

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

The following table sets forth by level, within the fair value hierarchy, the organization's financial instruments at fair value of as of June 30, 2022 in 2021:

Measured using Level 1 fair value inputs:	<u>2022</u>	<u>2021</u>
Cash	\$ 54,813	\$ 62,103
Money market funds	164,840	149,407
Equity mutual funds and ETFs	848,148	917,165
Fixed income mutual funds and ETFs	267,835	276,022
Measured using Level 3 fair value inputs:		
Beneficial interest in assets held by others	85,358	96,883
	<u>\$ 1,420,994</u>	<u>\$ 1,501,580</u>

The following represents a reconciliation for the activities for the Level 3 investment:

	<u>2022</u>	<u>2021</u>
Beneficial Interest in Assets Held by Community Foundation at beginning of year, fair market value	\$ 96,883	\$ 78,618
Donor contribution		
Interest/Dividend income	2,451	1,836
Realized gain	2,507	5,030
Unrealized gain(loss)	(15,871)	11,707
Grants paid		
Administrative fees	(430)	(208)
Investment expenses	(182)	(100)
	<u>85,358</u>	<u>96,883</u>
Beneficial Interest in Assets Held by Community Foundation at end of year, fair market value	<u>\$ 85,358</u>	<u>\$ 96,883</u>

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Computers and office equipment	\$ 77,921	\$ 70,907
Furniture, fixtures, and equipment	38,816	38,816
Leasehold improvements	164,412	164,412
Totals	<u>281,149</u>	<u>274,135</u>
Less accumulated depreciation	<u>(218,797)</u>	<u>(190,658)</u>
Property and equipment, net	<u>\$ 62,352</u>	<u>\$ 83,477</u>

During the year ending June 30, 2022 and 2021, depreciation totaled \$28,139 and \$27,950, respectively.

NOTE G – RESTRICTION ON AND DESIGNATIONS OF NET ASSETS

Net assets released from the restrictions during the year ended June 30, 2022 and 2021 were comprised of the following:

	<u>2022</u>	<u>2021</u>
Campaign 2021 and 2020, respectively	<u>\$ 1,205,866</u>	<u>\$ 951,132</u>

Net assets without restrictions at June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Board designated for agency endowment	\$ 85,358	\$ 90,443
Unrestricted, undesignated	911,004	811,265
	<u>\$ 1,010,827</u>	<u>\$ 901,708</u>

Net assets with time related restrictions at June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Campaign 2022 and 2021, respectively	<u>\$ 986,971</u>	<u>\$ 980,402</u>

NOTE H – SIMPLE IRA PENSION PLAN

The Organization has a Simple IRA for the benefit of eligible employees. An employee is eligible for participation if they had compensation of \$5,000 or more during the prior year. For each of the years June 30, 2022 and 2021 the board approved a matching contribution of up to 3% of each participant's compensation. For the years ended June 30, 2022 and 2021 retirement expense totaled \$7,436 and \$7,044 respectively.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE I – LEASES

The Organization entered into an operating lease for office space for 10 years with an option to extend the term for an additional 5 year period. Annual rent for each successive year after the first year will increase by 2%. The Lessor and the Organization can terminate the lease with a 30 day notice to the other party only for failure of the other party to fulfill its obligations under the lease. The Organization leased office equipment with operating agreements of varying lengths. For the years ended June 30, 2022 and 2021 total rent expense was \$33,113 and was included in management and general, fundraising, and program expenses in the accompanying financial statements.

The future minimum lease payments due are as follows:

<u>June 30,</u>	
2023	\$ 44,060
2024	35,436
2025	36,144
2026	36,864
2027	37,596
Thereafter	<u>117,312</u>
TOTAL	<u>\$ 307,412</u>

NOTE J – CONCENTRATIONS OF RISK

Substantially all of the Organization’s pledges promised and campaign revenue are from its donors located primarily in Middle Tennessee.

NOTE K – CASH SURRENDER VALUE OF DONOR LIFE INSURANCE POLICY

During the year ended June 30, 2018, the organization was named beneficiary of a life insurance policy on the life of a donor. The donor contributes \$50,000 annually to the Organization by depositing cash into an investment account under the name of the Organization. In turn, the life insurance company uses the \$50,000 deposited into the investment account to pay the premium on the policy. The Organization has recorded the balance of the life insurance policy on the statement of financial position. As of June 30, 2022 and 2021 the cash surrender value of the donor life insurance policy totaled \$202,236 and \$132,782.

NOTE L – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$2,928,737 in financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$600,130, pledges receivable of \$992,971, and investments of \$1,335,636. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures and related liabilities become due.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

NOTE M – SUBSEQUENT EVENTS

As of the date of the financial statements no events or transactions have transpired that would have a material effect on the balances reported herein as of June 30, 2022 or that would significantly impact the Organization's ongoing operations. The Organization has evaluated subsequent events through August 8, 2022 which is the date the financial statements were available to be issued.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
SCHEDULES OF AMOUNTS GIVEN TO AGENCIES (CASH BASIS)
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
ACE Learning Center (formerly Project Help)	\$ 95,000	\$ -
Alive Hospice, Inc.	10,000	-
American Red Cross Heart of Tennessee Chapter	-	33,913
Ann Campbell Early Learning Center- MTSU	-	50,037
Big Brothers Big Sisters of Middle Tennessee	18,000	19,973
Boys & Girls Club of Rutherford County	48,000	81,620
Cannon County Imagination Library Cannon Reads	-	2,427
Cannon County Senior Center	4,000	8,368
CASA of Rutherford County	-	9,469
Child Advocacy Center of Rutherford County, Inc.	80,000	80,210
City Schools Foundation	40,000	-
Children's Museum Corporation of Rutherford County	23,520	9,963
Community Helpers of Rutherford County	75,000	82,497
Dominion Financial Management	10,000	-
Doors of Hope	50,000	-
Elders First Adult Day Services -Mindful Care	-	38
Endure Athletics	-	840
Girl Scouts of Middle Tennessee	-	7,482
Holloway Harbor Child Care Center	-	493
Insight Counseling Centers	27,030	4,132
Interfaith Dental Clinic	10,000	15,009
Journeys in Community Living	-	43,322
Kymari House, Inc.	-	9,496
Legal Aid Society of Middle Tennessee and the Cumberland	10,000	6,930
Middle Tennessee Council Boy Scouts of America	-	4,386
Murfreesboro City School Foundation	-	8,338
Murfreesboro Cold Patrol	10,000	-
Nurses for Newborns of Tennessee	19,500	5,019
Nurture the Next	5,000	-
Project Transformation Tennessee Inc.	-	15,190
Read To Succeed	25,000	9,361
Renewed Life Ministries Outreach	11,850	-
Rutherford County Area Habitat for Humanity	10,000	9,342
Rutherford County Primary Care & Hope Clinic	20,000	45,732
Rutherford County Schools	-	10,773
Second Harvest Food Bank	-	2,527
Smyrna- Lavergne Food Bank	-	39,158
Special Kids	15,000	-
St. Clair Senior Center	-	12,260
STARS	170,000	76,754
Stepping Stones Safe Haven	10,000	-
Tennessee Kidney Foundation	-	1,762
Tennessee Poison Center	-	6,019
The Family Center	25,000	16,079
The Salvation Army	60,000	63,911
Tucker's House	-	2,455
Volunteer Behavioral Health-The Guidance Center	15,000	23,712
Waves, Inc.	12,000	-
Wee Care Day Care Center	40,000	14,738
Totals	<u>\$ 1,021,400</u>	<u>\$ 929,607</u>

See notes to the financial statements and independent auditors' report.



United Way of Rutherford
& Cannon Counties

United Way of Rutherford and Cannon Counties Dollars returned to our Community from Donor Dollars invested Fiscal Year ended June 30, 2022

\$1 to \$14

From July 1, 2021, to June 30, 2022, United Way of Rutherford and Cannon Counties was able to see a \$14 return for every one dollar invested in United Way.

For the year ended June 30, 2022, \$2,316,000.00 was returned back into the community through the Volunteer Income Tax Assistance Program and \$1,772,648.00 was saved by the Single Care Prescription Discount Program. United Way also recruited volunteers, making a \$339,797.00 impact throughout this time frame. United Way also organized several volunteer events (Hometown Huddle snack pack drive, Literacy Day of Action book drive, Stuff the Bus and the Community Baby Shower) that resulted in \$226,500.00 worth of donations of supplies and materials.

Additionally, United Way invested \$1,021,400.00 in the areas of education, income and health to improve lives in Rutherford and Cannon counties. United Way partner programs were able to leverage \$1,105,785.00 in additional funds because of their partnership with United Way. United Way was also the sole provider of the 2-1-1 program to Rutherford and Cannon counties with an investment of \$25,225.00. Charity Tracker generated an impact of \$1,453,442.00 to the community through assistance to county residents. The United Way of Rutherford and Cannon Counties 2021 campaign produced designated gifts to agencies of \$214,679.00.

Mission: *To improve lives by advancing opportunities for education, health and financial stability for all*

Vision: *To be the primary community solutions leader for human services*