

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

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

YEARS ENDING JUNE 30, 2024 AND 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on page 20 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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.

The nonaccounting information shown on page 21, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. The nonaccounting information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.



Murfreesboro, Tennessee
September 3, 2024

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 307,157	\$ 326,599
Pledges receivable, net	615,590	923,828
Grants receivable	58,622	42,444
Other receivables	27,943	3,200
Prepaid expenses	15,608	27,562
Investments	1,903,634	1,709,718
Beneficial interest in assets held by Community Foundation of Middle Tennessee	101,489	92,376
Cash surrender value of donor life insurance policy	265,737	227,664
Right-of-use assets - operating leases, net	187,052	214,495
Property and equipment, net	25,276	40,498
TOTAL ASSETS	\$ 3,508,108	\$ 3,608,384
LIABILITIES		
Accounts payable	\$ 47,672	\$ 20,477
Allocations due to agencies	847,290	1,045,723
Due to designated agencies	147,238	73,543
Deferred revenue	106,828	125,833
Accrued expenses	51,995	58,111
Operating lease liabilities	187,052	214,495
TOTAL LIABILITIES	1,388,075	1,538,182
NET ASSETS		
Without restrictions	1,468,955	1,146,874
With restrictions	651,078	923,328
TOTAL NET ASSETS	2,120,033	2,070,202
TOTAL LIABILITIES AND NET ASSETS	\$ 3,508,108	\$ 3,608,384

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, 2024 and 2023

	2024		Total	Summarized
	Without Restrictions	With Restrictions		2023 Totals
Public Support and Revenues:				
Campaign results for prior years:				
Gross campaign results - prior years	\$ 361,863	\$ -	\$ 361,863	\$ 192,955
Prior year campaign released from restriction	923,328	(923,328)	-	-
Total campaign results - prior years	1,285,191	(923,328)	361,863	192,955
Less donor designations	(68,233)	-	(68,233)	(87,600)
Less provision for uncollectible pledges	(45,263)	-	(45,263)	(5,065)
Net campaign revenue prior year	1,171,695	(923,328)	248,367	100,290
Gross campaign results - current year	1,368,319	615,590	1,983,909	2,099,495
Less donor designations	(369,211)	-	(369,211)	(262,599)
Less provision for uncollectible pledges	(120,713)	-	(120,713)	(173,235)
Net campaign revenue - current year	878,395	615,590	1,493,985	1,663,661
Total campaign revenue	2,050,090	(307,738)	1,742,352	1,763,951
Other contributions	55,058	-	55,058	52,560
Nonfinancial contributions	9,324	-	9,324	2,660
Fundraising event revenues	55,834	-	55,834	119,061
Program revenues	215,894	-	215,894	327,243
Grant revenues	466,961	35,488	502,449	302,290
Change in value of beneficial interest in assets held by				
The Community Foundation	7,804	-	7,804	6,435
Net unrealized/realized gain on securities, net of investment fees	143,736	-	143,736	80,822
Net unrealized loss on cash surrender value of donor life insurance policy, net of investment fees	(11,926)	-	(11,926)	(24,572)
Dividend and interest income	54,510	-	54,510	35,359
Employee Retention Credits	-	-	-	87,519
TOTAL SUPPORT AND REVENUES	3,047,285	(272,250)	2,775,035	2,753,328
Expenses:				
Program services				
Gross funds awarded to agencies	1,206,611	-	1,206,611	1,302,849
Less: donor designations	(369,211)	-	(369,211)	(262,599)
Net funds awarded to agencies	837,400	-	837,400	1,040,250
Community Building Initiatives	1,161,733	-	1,161,733	881,748
Total Program services	1,999,133	-	1,999,133	1,921,998
Supporting services				
Management and general	359,728	-	359,728	374,176
Fundraising	366,343	-	366,343	384,749
TOTAL EXPENSES	2,725,204	-	2,725,204	2,680,923
CHANGE IN NET ASSETS	322,081	(272,250)	49,831	72,405
Net assets, beginning of year	1,146,874	923,328	2,070,202	1,997,797
Net assets, end of year	\$ 1,468,955	\$ 651,078	\$ 2,120,033	\$ 2,070,202

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, 2024

	Program Services	Supporting Services		Total
	Community Building Initiatives	Fundraising	Management and General	
Salaries and wages	\$ 446,613	\$ 201,732	\$ 206,090	\$ 854,435
Payroll taxes and benefits	84,005	37,945	38,764	160,714
	<u>530,618</u>	<u>239,677</u>	<u>244,854</u>	<u>1,015,149</u>
Books from birth	222,514	-	-	222,514
Other program	28,555	-	-	28,555
Bank services fees	-	-	9,439	9,439
Promotional items	1,987	898	917	3,802
Depreciation	11,201	5,060	5,169	21,430
Equipment maintenance/rental	9,028	4,078	4,165	17,271
Special events	-	45,543	-	45,543
Other community events	94,961	-	-	94,961
General insurance	9,345	4,221	4,312	17,878
Dues and subscriptions	4,902	2,214	2,262	9,378
United Way World Wide dues	15,449	6,978	7,129	29,556
211 Dues	26,460	-	-	26,460
Miscellaneous	13,273	5,996	6,125	25,394
Rent	17,308	7,818	7,987	33,113
Office supplies	2,213	1,000	1,021	4,234
Technology	41,324	18,665	19,069	79,058
Professional services	60,932	-	22,286	83,218
Postage	4,739	2,140	2,187	9,066
Printing and publication	4,412	1,993	2,035	8,440
Data subscriptions	18,097	-	-	18,097
Taxes	-	-	276	276
Travel	33,369	15,072	15,398	63,839
Telephone	8,532	3,854	3,937	16,323
Staff appreciation	2,514	1,136	1,160	4,810
	<u>1,161,733</u>	<u>366,343</u>	<u>359,728</u>	<u>1,887,804</u>
TOTAL OPERATIONS				
Gross funds awarded to agencies	1,206,611	-	-	1,206,611
Less: donor designations	(369,211)	-	-	(369,211)
	<u>837,400</u>	<u>-</u>	<u>-</u>	<u>837,400</u>
Net allocation				
TOTAL EXPENSES	<u>\$ 1,999,133</u>	<u>\$ 366,343</u>	<u>\$ 359,728</u>	<u>\$ 2,725,204</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, 2023

	Program Services	Supporting Services		Total
	Community Building Initiatives	Fundraising	Management and General	
Salaries and wages	\$ 289,673	\$ 191,377	\$ 206,515	\$ 687,565
Payroll taxes and benefits	55,802	36,867	39,783	132,452
	<u>345,475</u>	<u>228,244</u>	<u>246,298</u>	<u>820,017</u>
Books from birth	219,269	-	-	219,269
Other program	26,709	-	-	26,709
Bank services fees	-	-	7,336	7,336
Promotional items	1,965	1,298	1,402	4,665
Depreciation	9,207	6,083	6,564	21,854
Equipment maintenance/rental	6,415	4,238	4,573	15,226
Special events	-	63,772	-	63,772
Other community events	102,024	-	-	102,024
General insurance	7,300	4,823	5,205	17,329
Dues and subscriptions	6,151	4,063	4,385	14,599
United Way World Wide dues	13,289	8,780	9,474	31,543
211 Dues	26,050	-	-	26,050
Miscellaneous	9,447	6,241	6,740	22,428
Rent	13,951	9,217	9,945	33,113
Office supplies	1,512	999	1,077	3,587
Technology	31,211	20,620	22,251	74,082
Professional services	-	-	20,441	20,441
Outside marketing consultant	-	-	-	-
Postage	5,149	3,402	3,670	12,221
Printing and publication	5,283	3,490	3,767	12,540
Data subscriptions	21,857	-	-	21,857
Taxes	-	-	30	30
Travel	23,170	15,308	16,518	54,996
Telephone	4,965	3,280	3,539	11,783
Staff appreciation	1,349	891	961	3,202
	<u>881,748</u>	<u>384,749</u>	<u>374,176</u>	<u>1,640,673</u>
TOTAL OPERATIONS				
Gross funds awarded to agencies	1,302,849	-	-	1,302,849
Less: donor designations	(262,599)	-	-	(262,599)
	<u>1,040,250</u>	<u>-</u>	<u>-</u>	<u>1,040,250</u>
Net allocation				
TOTAL EXPENSES	<u>\$ 1,921,998</u>	<u>\$ 384,749</u>	<u>\$ 374,176</u>	<u>\$ 2,680,923</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, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 49,831	\$ 72,405
To reconcile change in net assets to net cash provided by operating activities		
Depreciation	21,430	21,854
Change in value of beneficial interest in assets held by The Community Foundation	(9,113)	(7,018)
Net unrealized and realized gain on investments	(143,736)	(80,822)
(Increase) decrease in:		
Pledges receivable, net	308,238	69,143
Grants receivable	(16,178)	(42,444)
Other receivables	(24,743)	(3,200)
Prepaid expenses	11,954	(4,727)
Cash surrender value of donor life insurance policy	(38,073)	(25,428)
Increase (decrease) in:		
Accounts payable	27,195	6,812
Accrued expenses	(6,116)	(5,629)
Deferred revenue	(19,005)	41,858
Due to designated agencies	73,695	(41,675)
Due to agencies	(198,433)	18,600
NET CASH PROVIDED BY OPERATING ACTIVITIES	36,946	19,729
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(6,208)	-
Purchases of investments	(50,180)	(293,260)
NET CASH USED BY INVESTING ACTIVITIES	(56,388)	(293,260)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(19,442)	(273,531)
Cash and cash equivalents, beginning of year	326,599	600,130
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 307,157	\$ 326,599

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

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

Nature of Organization

The United Way of Rutherford County d/b/a 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 nonprofits, individuals, and governmental agencies to build a stronger community. The Organization serves Bedford, Cannon, Lincoln, and Rutherford counties. Substantially all of the Organization’s pledges promised and campaign revenue are from its donors located primarily in Middle Tennessee.

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

On July 1, 2023, the Organization adopted Accounting Standards Update 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of a financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loans, receivables, held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. The new standard also requires updated disclosures. As of June 30, 2024, the adoption of this accounting standard 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, 2023, from which the summarized information was derived.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

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

Reclassified Financial Statements

Certain reclassifications have been made to the 2023 financial statements in order for them to confirm to the 2024 presentation. These reclassifications have no effect on net assets as previously reported.

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.

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.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

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

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.

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. The Organization receives grants from governmental and private agencies. Typically, grants received from governmental agencies are cost-reimbursement grants for a particular project and are accounted as conditional contributions. The Organization recognizes revenues on these grants as the funds are spent. Any unused funds are forfeited and if any expenditures are disallowed, the Organization would be required to refund amounts received. Grants that are non-reimbursement in nature are considered contributions and are recognized as revenue in the year granted.

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 June 30, 2024 and 2023, these services did not meet the criteria for recognition as contributed services and have not been recorded in the financial statements.

Non-financial contributions are recorded as revenue at the estimated fair market value, and a related expense is recorded as the items are utilized by the Organization.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

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

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.

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024, 2023, and 2022.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

NOTE B – PLEDGES RECEIVABLE

Included in pledges receivable are the following unconditional promises to give as of June 30, 2024 and 2023:

	2024		2023
2022 Campaign:			2021 Campaign:
Undesignated	\$ 81,611		Undesignated
Designated	4,577		Designated
2023 Campaign:			2022 Campaign:
Undesignated	595,657		Undesignated
Designated	140,646		Designated
Total	822,491		
Less allowance for uncollectible pledges	(206,901)		2023 Campaign:
			Undesignated
Total pledges receivable	\$ 615,590		Designated
			Total
			1,158,867
			Less allowance for uncollectible pledges
			(235,039)
			\$ 923,828

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 C - INVESTMENTS

Investments are stated at fair value and are summarized as follows as of June 30, 2024 and 2023:

	2024	2023
Cash	\$ 67,290	\$ 62,721
Equities-mutual funds, ETFs	1,066,560	913,158
Fixed income-mutual funds, ETFs	501,043	474,101
Certificates of deposit	268,741	259,738
	\$ 1,903,634	\$ 1,709,718

NOTE D - 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, 2024 AND 2023

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). 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, 2024 and 2023.

- (i) *Money market, equity and fixed income mutual funds, ETFs, and certificates of deposit:* 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, 2024 AND 2023

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, 2024 and 2023:

Measured using Level 1 fair value inputs:	<u>2024</u>	<u>2023</u>
Cash	\$ 67,288	\$ 62,721
Equity mutual funds and ETFs	1,066,560	913,158
Fixed income mutual funds and ETFs	501,044	474,101
Certificates of deposit	268,742	259,738
Measured using Level 3 fair value inputs:		
Beneficial interest in assets held by others	<u>101,489</u>	<u>92,376</u>
	<u>\$ 2,005,123</u>	<u>\$ 1,802,094</u>

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

	<u>2024</u>	<u>2023</u>
Beneficial Interest in Assets Held by Community		
Foundation at beginning of year, fair market value	\$ 92,376	\$ 85,358
Interest/Dividend income	1,905	1,091
Realized gain (loss)	1,587	(385)
Unrealized gain	6,217	6,820
Administrative fees	(404)	(330)
Investment expenses	<u>(192)</u>	<u>(178)</u>
Beneficial Interest in Assets Held by Community		
Foundation at end of year, fair market value	<u>\$ 101,489</u>	<u>\$ 92,376</u>

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2024 and 2023:

	2024	2023
Computers and office equipment	\$ 84,129	\$ 77,921
Furniture, fixtures, and equipment	38,816	38,816
Leasehold improvements	164,412	164,412
Totals	287,357	281,149
Less accumulated depreciation	(262,081)	(240,651)
Property and equipment, net	\$ 25,276	\$ 40,498

During the year ending June 30, 2024 and 2023, depreciation totaled \$21,430 and \$21,854, respectively.

NOTE G – RESTRICTION ON AND DESIGNATIONS OF NET ASSETS

Net assets without restrictions at June 30, 2024 and 2023 are summarized as follows:

	2024	2023
Board designated for agency endowment	\$ 101,489	\$ 92,376
Unrestricted, undesignated	1,367,466	1,054,498
	\$ 1,468,955	\$ 1,146,874

Net assets with restrictions at June 30, 2024 and 2023 are summarized as follows:

	2024	2023
Net assets with time-related restrictions-		
Campaign 2024 and 2023, respectively	\$ 615,590	\$ 923,328
Net assets with purpose-related restrictions:		
Financial Empowerment grant	21,546	-
Born Learning grant	13,942	-
Total net assets with restrictions	\$ 651,078	\$ 923,328

Net assets released from the restrictions during the year ended June 30, 2024 and 2023 were \$923,828 and \$922,751, respectively.

NOTE H – NON-FINANCIAL CONTRIBUTIONS

For the year ended June 30, 2024, the Organization received \$4,234 of food and beverages and \$5,090 of items to be sold in fundraising auctions held by the Organization.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

NOTE I – 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 ended June 30, 2024 and 2023, the board approved a matching contribution of up to 3% of each participant's compensation. For the years ended June 30, 2024 and 2023, retirement expense totaled \$11,914 and \$8,955, respectively.

NOTE J – OPERATING LEASES

In December 2014, 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. For the years ended June 30, 2024 and 2023, total rent expense was \$33,113 and was included in management and general, fundraising, and program expenses in the accompanying financial statements.

It is the Organization's policy to use a risk-free rate as the discount rate (4.13% at inception) for the operating lease. The weighted average remaining lease term for the operating lease is 65 months. The operating lease is presented as a right-of-use asset and related operating lease liability on the balance sheet as of June 30, 2024 and 2023 in the amounts of \$187,052 and \$214,495, respectively.

The future minimum payments under the lease for the next five years are as follows:

<u>June 30,</u>		
2025	\$	36,504
2026		37,230
2027		37,968
2028		38,718
2029		39,486
Thereafter		<u>19,938</u>
Less effects of discounting		<u>(22,792)</u>
TOTAL	\$	<u><u>187,052</u></u>

The Organization leases office equipment with operating agreements of varying lengths. It is the Organization's policy not to present short-term leasing activities with agreements maturing in 12 months or less on the statement of financial position.

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, 2024 and 2023, the cash surrender value of the donor life insurance policy totaled \$265,737 and \$227,664.

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

NOTE L – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$2,877,457 in financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents of \$307,157, pledges receivable of \$615,590, grants receivable of \$58,622, other receivables of \$27,943 and investments of \$1,903,633. \$35,488 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.

NOTE M – SUBSEQUENT EVENTS

Effective July 1, 2024, the Organization's legal name is changed to United Way of South Central Tennessee.

The Organization has evaluated subsequent events through September 3, 2024 which is the date the financial statements were available to be issued for possible recognition or disclosure in the financial statements as of June 30, 2024.

SUPPLEMENTAL INFORMATION

UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
SCHEDULES OF AMOUNTS GIVEN TO AGENCIES (CASH BASIS)
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
ACE Learning Center (formerly Project Help)	\$ 80,000	\$ 95,000
Alive Hospice, Inc.	10,000	10,000
Big Brothers Big Sisters of Middle Tennessee	25,000	18,000
Boys & Girls Club of Rutherford County Branches	52,000	48,000
Cannon County Senior Center	10,000	-
Centerstone of Tennessee	3,500	4,000
Child Advocacy Center of Rutherford County, Inc.	31,000	-
City Schools Foundation	105,000	80,000
Children's Museum Corporation of Rutherford County	-	40,000
Community Helpers of Rutherford County	-	23,520
Domestic Violence Program, Inc. of Rutherford County	-	75,000
Dominion Financial Management	30,000	7,500
Doors of Hope	10,000	10,000
Insight Counseling Centers	45,000	50,000
Interfaith Dental Clinic	27,500	27,030
Legal Aid Society of Middle Tennessee and the Cumberlands	-	10,000
Mid- Cumberland Human Resource Agency	15,000	10,000
Murfreesboro City School Foundation	-	15,000
Murfreesboro Cold Patrol	51,500	-
Murfreesboro Cold Patrol - Collaborative Financial Stability	10,000	10,000
MTSU Charlie and Hazel Daniels Veterans	50,000	-
Nourish Food Bank	12,000	-
Nurses for Newborns of Tennessee	30,000	50,000
Nurture the Next	19,500	19,500
Read To Succeed	10,000	5,000
Renewed Life Ministries Outreach	45,000	25,000
Rutherford County Habitat for Humanity	25,000	11,850
Rutherford County Primary Care & Hope Clinic	16,000	10,000
Special Kids	20,000	20,000
STARS (Students Taking a Right Stand) Nashville	-	15,000
Stepping Stones Safe Haven	160,000	170,000
The Community Helpers of Rutherford County, Inc	15,000	10,000
The Family Center	65,000	-
The Salvation Army (Rutherford & Cannon)	37,000	25,000
Volunteer Behavioral Health-The Guidance Center	30,000	60,000
Waves, Inc.	-	15,000
Wee Care Day Care Center	-	12,000
	-	40,000
Totals	\$ 1,040,000	\$ 1,021,400

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, 2024

\$1 to \$13

From July 1, 2023, to June 30, 2024, United Way of Rutherford and Cannon Counties was able to see a \$13 return for every one dollar invested in United Way.

For the year ended June 30, 2024, \$2,275,080.00 was returned into the community through the Volunteer Income Tax Assistance Program and \$929,453.00 was saved by the Single Care Prescription Discount Program. United Way also recruited volunteers, making a \$199,497.00 impact throughout this time frame. United Way also organized several volunteer events (Hometown Huddle snack pack drive, Stuff the Bus and the Community Baby Shower) that resulted in \$88,518.00 worth of donations of supplies and materials.

Additionally, United Way invested \$837,400.00 in the areas of education, income and health to improve lives in Bedford, Cannon, Lincoln and Rutherford counties. United Way was also the sole provider of the 2-1-1 program to Bedford, Cannon, Lincoln and Rutherford counties with an investment of \$26,460.00. Charity Tracker generated an impact of \$1,954,988.00 to the community through assistance to county residents. The United Way of Rutherford and Cannon Counties 2023 campaign produced designated gifts to agencies of \$369,211.00.

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*