

UNITED WAY OF BLOUNT COUNTY
Maryville, Tennessee

FINANCIAL STATEMENTS

December 31, 2020

UNITED WAY OF BLOUNT COUNTY
Maryville, Tennessee
For Year Ended December 31, 2020

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Whitlock & Company, P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Blount County
Maryville, Tennessee

Opinion

We have audited the accompanying financial statements of United Way of Blount County (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year 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 Blount County as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Blount County 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 Blount County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Blount County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Blount County's ability to continue as a going concern for a reasonable period of time.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of agency support on page 14 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 financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the United Way of Blount County's 2019 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 28, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Whitlock & Company, P.C.

Alcoa, Tennessee
April 26, 2021

UNITED WAY OF BLOUNT COUNTY
Statement of Financial Position
December 31, 2020
With Comparative Totals for December 31, 2019

ASSETS	<u>2020</u>	<u>2019</u>
Current Assets		
Cash	\$ 1,205,039	\$ 974,267
Pledges receivable, net of estimated uncollectibles of \$219,891 and \$128,997 for 2020 and 2019	<u>1,764,964</u>	<u>1,813,740</u>
Total Current Assets	<u>2,970,003</u>	<u>2,788,007</u>
Property and Equipment		
Land	203,535	203,535
Building	1,775,518	1,775,518
Building improvements	86,000	86,000
Equipment and furniture	<u>97,613</u>	<u>97,613</u>
Total Property and Equipment	2,162,666	2,162,666
Accumulated depreciation	<u>(831,963)</u>	<u>(771,863)</u>
Net Property and Equipment	<u>1,330,703</u>	<u>1,390,803</u>
Total Assets	<u>\$ 4,300,706</u>	<u>\$ 4,178,810</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 1,421	\$ 1,816
Accrued payroll liabilities	<u>12,659</u>	<u>10,972</u>
Total Current Liabilities	<u>14,080</u>	<u>12,788</u>
Long-Term Liabilities		
Security deposit	<u>11,375</u>	<u>-</u>
Total Liabilities	<u>25,455</u>	<u>12,788</u>
Net Assets		
Without Donor Restrictions:		
Board Designated	362,508	240,732
Undesignated	2,147,779	2,111,550
With Donor Restrictions	<u>1,764,964</u>	<u>1,813,740</u>
Total Net Assets	<u>4,275,251</u>	<u>4,166,022</u>
Total Liabilities and Net Assets	<u>\$ 4,300,706</u>	<u>\$ 4,178,810</u>

See accompanying independent auditor's report and notes.

UNITED WAY OF BLOUNT COUNTY
Statement of Activities
Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>2020</u> <u>Total</u>	<u>2019</u> <u>Total</u>
REVENUE AND OTHER SUPPORT				
Contributions	\$ -	\$ 1,947,999	\$ 1,947,999	\$ 1,779,236
COVID-19 Response Fund	-	275,059	275,059	-
Special events income, net of direct expenses of \$6,671	-	61,268	61,268	82,736
Donated services	18,000	-	18,000	54,315
Interest income	3,364	-	3,364	6,710
Forgiveness of PPP loan	75,439	-	75,439	-
Rental income	68,250	-	68,250	66,627
Media sponsor	12,700	-	12,700	15,892
Meeting sponsor	8,600	-	8,600	11,950
Miscellaneous	7,805	-	7,805	1,264
Net assets released from Restrictions	<u>2,333,102</u>	<u>(2,333,102)</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Support	<u>2,527,260</u>	<u>(48,776)</u>	<u>2,478,484</u>	<u>2,018,730</u>
EXPENSES				
Programs				
Health and human services	1,796,515	-	1,796,515	1,856,267
Supporting Services				
General and administrative	82,380	-	82,380	80,937
Campaign Fundraising	156,086	-	156,086	175,510
Other expenses – rental	<u>79,719</u>	<u>-</u>	<u>79,719</u>	<u>81,651</u>
Total Expenses (includes donated services of \$18,000)	<u>2,369,255</u>	<u>-</u>	<u>2,369,255</u>	<u>2,194,365</u>
Change in Net Assets	158,005	(48,776)	109,229	(175,635)
NET ASSETS – BEGINNING OF YEAR	<u>2,352,282</u>	<u>1,813,740</u>	<u>4,166,022</u>	<u>4,341,657</u>
NET ASSETS – END OF YEAR	<u>\$ 2,510,287</u>	<u>\$ 1,764,964</u>	<u>\$ 4,275,251</u>	<u>\$ 4,166,022</u>

See accompanying independent auditor's report and notes.

UNITED WAY OF BLOUNT COUNTY
Statement of Cash Flows
Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received	\$ 2,413,712	\$ 2,107,163
Interest income	3,364	6,710
Payments to agencies	(1,239,501)	(1,284,140)
Payments to other United Way Agencies	(200,840)	(194,811)
Payments for COVID 19 Response Grants	(163,660)	-
Payments to employees and suppliers	<u>(582,303)</u>	<u>(655,706)</u>
Net Cash Provided (Used) by Operating Activities	<u>230,772</u>	<u>(20,784)</u>
 CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchase of fixed assets	<u>-</u>	<u>-</u>
 NET INCREASE (DECREASE) IN CASH	230,772	(20,784)
 CASH AT BEGINNING OF YEAR	<u>974,267</u>	<u>995,051</u>
 CASH AT END OF YEAR	<u>\$ 1,205,039</u>	<u>\$ 974,267</u>
 RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 109,229	\$ (175,635)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	60,100	63,265
Changes in Assets and Liabilities:		
Pledges receivable	48,776	95,143
Accounts payable	(395)	(574)
Security deposit	11,375	-
Bonus payable	-	(5,000)
Accrued compensated absences	<u>1,687</u>	<u>2,017</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 230,772</u>	<u>\$ (20,784)</u>
 Supplemental Non-Cash Information:		
Donated Services	<u>\$ 18,000</u>	<u>\$ 54,315</u>

See accompanying independent auditor's report and notes.

UNITED WAY OF BLOUNT COUNTY
Statement of Functional Expenses
Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	<u>Program Services</u> Health & Human Services	General And <u>Administrative</u>	Campaign Fund <u>Raising</u>	<u>Rental</u>	2020 <u>Total</u>	2019 <u>Total</u>
Salaries	\$ 195,630	\$ 35,569	\$ 88,922	\$ 35,569	\$ 355,691	\$ 358,346
Employee benefits	46,058	14,340	14,969	8,375	83,742	74,835
Payroll taxes	14,915	5,423	4,067	2,712	27,117	27,561
Insurance and bonds	3,002	1,092	1,364	2,339	7,797	8,929
Conferences and meetings	2,741	997	1,246	-	4,984	6,019
Dues	16,023	5,826	7,282	-	29,132	23,390
Campaign supplies	-	-	407	-	407	1,967
Depreciation	21,729	7,901	9,877	20,594	60,100	63,265
Maintenance and repairs	7,668	2,788	3,485	5,975	19,916	20,600
Occupancy	5,333	1,940	2,424	4,155	13,852	16,798
Postage and shipping	1,404	511	639	-	2,554	2,950
Printing	1,856	675	843	-	3,374	2,374
Professional	2,530	920	1,150	-	4,600	4,600
Telephone	2,057	748	935	-	3,740	3,879
Travel	2,145	780	975	-	3,900	3,942
Subscriptions/Publications	104	37	47	-	188	176
Supplies	977	355	444	-	1,776	3,687
Miscellaneous	1,263	460	575	-	2,298	1,190
Advertising	14,753	-	12,070	-	26,823	61,718
Agencies – allocations	1,239,501	-	-	-	1,239,501	1,285,641
Other United Way Agencies	200,840	-	-	-	200,840	194,811
COVID 19 Response Grants	163,660	-	-	-	163,660	-
Annual program fees	8,200	-	-	-	8,200	8,470
Meeting sponsors expense	2,255	-	1,845	-	4,100	11,563
Equipment	934	346	432	-	1,712	99
Bank fees	2,708	985	1,230	-	4,923	3,550
Licenses and fees	1,889	687	858	-	3,434	3,505
Increased provision for bad debt	-	-	90,894	-	90,894	-
Other operating expense	-	-	-	-	-	500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 1,960,175</u>	<u>\$ 82,380</u>	<u>\$ 246,980</u>	<u>\$ 79,719</u>	<u>\$ 2,369,255</u>	<u>\$ 2,194,365</u>

See accompanying independent auditor's report and notes.

UNITED WAY OF BLOUNT COUNTY

Notes to Financial Statements

Year Ended December 31, 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

United Way of Blount County (UWBC or the Organization) was formed in 1954 as a non-profit county-wide community service group to ensure that human needs are met through assessment, monitoring, and a trusting spirit where people help one another. The Organization operates through an Executive Committee, a Board of Directors, and a Finance Committee to ensure compliance with applicable Sarbanes-Oxley legislation affecting non-profit entities.

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis in conformity with generally accepted accounting principles. The statements are presented in accordance with the provisions of Statement of the Financial Accounting Standards Board (FASB) ASU 2016-14, *Financial Statements of Not-for-Profit Entities*. Under ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, with the goal of improving not-for-profit entity (NFP) financial statements to provide more useful information to donors, grantors, and other financial statement users. The ASU requires additional disclosures for expenses by nature and function and for the liquidity and availability of resources.

In the current year, the Organization adopted SAS No. 134 (issued by the Auditing Standards Board) – “Auditor Reporting and Amendments,” as amended by SAS 141, which permits early implementation of SAS 134. The Organization has also adopted SAS No. 138, “Amendments to the Description of the Concept of Materiality.” This SAS eliminates inconsistencies between the description of “materiality” in the AICPA Professional Standards and the description of materiality used by the U.S. Judicial System and other U.S. standards such as FASB and PCAOB.

Comparative Information

The financial statements include certain prior-year summarized comparative information. 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 December 31, 2019, from which the summarized information was derived.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of ninety days or less to be cash equivalents for the purpose of the Cash Flow Statement. At December 31, 2020, there were no cash equivalents. Certificates of Deposits have maturity dates of six months or one year or greater at the time of purchase. Thus, for the Statement of Cash Flows, those certificates are not considered as cash or cash equivalents.

Pledges Receivable

The Organization reports promises to give (pledges) in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. SFAS No. 116 requires the Organization to record unconditional promises to give as revenue when the promise is made.

(Continued)

UNITED WAY OF BLOUNT COUNTY

Notes to Financial Statements

Year Ended December 31, 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges receivable for contributions, less an allowance for uncollectible amounts, is discounted to reflect the time value of money. Contributions upon receipt are considered available for unrestricted use unless specifically restricted by the donor. The allowance for uncollectible accounts is estimated based on percentages applied to aging categories as follows: 75% on 3 years or greater; 50% on balances 2 years old; 25% on balances 1 year old.

Contributed Services

Amounts have been reflected in the financial statements for donated services requiring specific expertise. Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Estimates

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

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over their estimated useful lives.

Net Asset Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

All contributions are considered to be available for net assets use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions or restricted support that increases those net asset classifications. The Organization had no restricted net assets as of December 31, 2020.

(Continued)

UNITED WAY OF BLOUNT COUNTY

Notes to Financial Statements

Year Ended December 31, 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value of financial instruments

The carrying amounts reported in the statement of financial position for cash and cash equivalents, pledge receivables, and accrued expenses approximate fair value based on the short-term nature of these instruments.

Expense Allocation

The Organization's expenses are presented on a functional basis, showing basic program activities and support services. The Organization incurs costs and expenses related to its program services and supporting activities. Expenses that are directly related to, and can be assigned to, program services or a single supporting activity are charged directly to such function. Expenses that are related to more than one function are allocated between the appropriate functions. The most significant of the Organization's joint costs are the costs associated with salaries, payroll taxes, employee benefits, and rent. The Organization allocates these joint costs primarily using proportional methods based on the programs and supporting services benefited.

UWBC functional expense percentage estimates are 55%, 20%, and 25% for Program Services, General and Administrative, and Campaign Fundraising, respectively. Also, approximately one-third of depreciation expense is allocated to the rental functional expense column.

Classification of Revenue, Support and Net Assets

Contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and nature of donor restrictions.

All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor. Contributions that are restricted by the donor for specific purposes or for future periods are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Advertising

Advertising costs are expensed as incurred.

Investment Securities

The Organization uses SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. The Organization has no investment securities that are currently subject to this accounting treatment.

(Continued)

UNITED WAY OF BLOUNT COUNTY

Notes to Financial Statements
Year Ended December 31, 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

The Organization files informational returns with the IRS and with the State of Tennessee. Those returns are subject to review by taxing authorities. All returns filed prior to 2017 are closed and not subject to review.

The Organization accounts for uncertain tax positions using a two-step approach. The first step is to determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The second step is to measure and recognize in the financial statements the largest amount of benefit that is greater than 50% likely of being realized upon the ultimate settlement. The Organization had no uncertain tax positions that required significant adjustments to the financial statements as of December 31, 2020.

Concentrations of Credit Risk

The Organization's cash balances are insured (FDIC \$250,000) by various banks. Balances in excess of \$250,000 are secured by a bank with pledged securities held by the bank.

NOTE B – LIQUIDITY

United Way of Blount County has \$2,970,003 of financial assets, available within one year of the balance sheet date to meet cash needs for general expenditures, consisting of Cash of \$1,205,039 and Pledges Receivable (net of estimated uncollectibles) of \$1,764,964. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year. United Way of Blount County structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE C – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were released from restriction for the following purposes or periods:

Operations for 2020	<u>\$ 2,271,834</u>
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Net assets with donor restrictions consist of:

Restricted Contributions	<u>\$ 2,223,058</u>
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(Continued)

UNITED WAY OF BLOUNT COUNTY
Notes to Financial Statements
Year Ended December 31, 2020

NOTE D – BOARD DESIGNATED NET ASSETS

The Board has designated the following net assets:

Future Fund	\$ 89,753
Summitt Fund	82,472
Building maintenance	65,343
Connect.Lead.Serve. (CLS)	732
Community Force	1,059
Connect United	5,750
Concert	6,000
COVID 19 Response	<u>111,399</u>
	<u>\$ 362,508</u>

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Land	\$ 203,535
Building	1,775,518
Building improvements	86,000
Equipment and furniture	<u>97,613</u>
Total property and equipment	2,162,666
Less - Accumulated depreciation	<u>(831,963)</u>
Net Property and Equipment	<u>\$ 1,330,703</u>

Depreciation expense for the year was \$60,100.

NOTE F – UNCONDITIONAL PROMISES TO GIVE AND RELATED RECEIVABLES

In the fall, the Organization begins its pledge campaign for the next calendar year. The Organization records these unconditional promises to give, net of estimated uncollectible amounts, as net assets with donor restrictions since the pledge indicates the donor's intent that the funds be used during the following year. The amounts estimated as uncollectible are based on prior history of the Organization. It is estimated that most of the promises to give will be received within the next calendar year. A summary of the 2017, 2018, 2019 and 2020 campaigns is as follows:

Promises to give – 2020/21	
Amount pledged during 2020	<u>\$ 2,238,058</u>
Pledges receivable at December 31, 2020	
2020/21 Campaign	\$ 1,446,614
Less: Allowance for uncollectible	<u>-</u>
	<u>1,446,614</u>
2019/20, 2018/2019, and 2017/2018 Campaigns	538,241
Less: Allowance for uncollectible	<u>(219,891)</u>
	318,350
Total Pledge Receivable	<u>\$ 1,764,964</u>

(Continued)

UNITED WAY OF BLOUNT COUNTY

Notes to Financial Statements
Year Ended December 31, 2020

NOTE F – UNCONDITIONAL PROMISES TO GIVE AND RELATED RECEIVABLES (Continued)

It is estimated the above will be collected within one year.

Pledged contributions receivable are periodically evaluated for collectability based on past history with donors. During 2020, United Way of Blount County increased its allowance for doubtful accounts by \$90,894, which has been recognized as bad debt expense on the Statement of Functional Expenses, making the total allowance balance of \$219,891.

NOTE G – FAIR VALUES OF FINANCIAL INSTRUMENTS

The estimated fair values of the Organization's financial instruments, none of which are held for trading purposes, are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 1,205,039	\$ 1,205,039
Unconditional promises to give	1,764,964	1,764,964

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash and unconditional promises to give: The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

NOTE H - RETIREMENT PLAN

The Organization provides a defined contribution plan designed to meet the requirements of IRS Code § 403(b). All full-time and eligible part-time employees are eligible after two years of service with 1,000 hours each year, and a minimum age of 21. UWBC will contribute 10% of the participant's annual compensation into the employee's plan. The plan offers immediate vesting. Eligible employees can defer a portion of their compensation (elective deferrals) to the Plan. Enrollment forms and information, a salary reduction agreement, a copy of the Summary Plan Description (SPD), and a list of investment options are available at the time of hire, eligibility, or upon request. While it is expected that these plans will continue indefinitely, UWBC reserves the right to modify, change carriers or discontinue them at any time. Total expense for the year was \$37,608.

NOTE I – COMPENSATED ABSENCES

Annual leave for part-time staff is 1.67 hours per pay period, immediately accruing at the time of employment for the next 5 years and 2.5 hours per pay period for more than 5 years of service. For full-time staff, the leave is 5 hours per pay period (three weeks/year) immediately accruing at the time of employment for the next 5 years and 6.67 hours per pay period for more than 5 years of service (four weeks/year). The calendar year is the base period, and a carryover of up to 10 days of vacation leave accrued in the previous calendar year must be approved by the President/CEO and is to be used in the first 4 months of the following year. Eligible part-time employees may accrue sick leave; prorated based on their regularly scheduled hours. After a probationary period of 3 months, sick leave accumulates at a rate of 1 day per month. Sick days can accrue to the maximum of ninety (90) days and are not compensated at the cease of employment. Accrued compensated absences as of December 31, 2020 were \$11,437.

(Continued)

UNITED WAY OF BLOUNT COUNTY
Notes to Financial Statements (Continued)
Year Ended December 31, 2020

NOTE J – LEASE

The Organization is the lessor of office space within the headquarters building under an operating lease expiring June 30, 2024.

Following is a summary of property held for lease at December 31, 2020:

6,500 square feet of 13,100 square feet of building	\$ 845,457
Less: Accumulated depreciation	<u>(351,732)</u>
	<u>\$ 493,725</u>

This rental results in unrelated trade or business income that is subject to federal income taxes, if applicable, after any directly related expenses are deducted.

Minimum future rentals to be received on the lease are:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 68,250
2022	68,250
2023	68,250
2024	34,125

NOTE K – DONATED SERVICES

The estimated fair market value of donated services included in the financial statements for the year ended December 31, 2020 is as follows:

Expenses:	
Advertising – Campaign related	<u>\$ 18,000</u>

NOTE L – CONCENTRATION

During the year ended December 31, 2020, the Organization received approximately 38% of its support from seven donors. If a significant reduction in these levels of support were to occur, it could have a significant impact on the Organization’s operations.

NOTE M – PAYCHECK PROTECTION PROGRAM (PPP) LOAN

The Organization received a loan from a local bank in the amount of \$75,439 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated April 14, 2020. The loan was forgiven since the proceeds of the loan were used for eligible expenditures such as payroll and other expenses described in the CARES Act. As of December 31, 2020, determination has been made by the U.S. Small Business Administration as to UWBC’s eligibility for forgiveness, in whole. The amount has been recognized in the Statement of Activities as forgiveness of debt income.

(Continued)

UNITED WAY OF BLOUNT COUNTY
Notes to Financial Statements (Continued)
Year Ended December 31, 2020

NOTE N – SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2020, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is April 26, 2021 which is the date on which the financial statements were issued.

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact contribution revenue. Other financial impact could occur though such potential impact is unknown at this time.

SUPPLEMENTAL INFORMATION

UNITED WAY OF BLOUNT COUNTY
Schedule of Agency Support
Year Ended December 31, 2020

Big Brothers Big Sisters of East TN	\$ 18,396
Blount County Community Action Agency	84,480
Blount County Habitat for Humanity	35,636
Boys and Girls Club of Blount County	166,085
CASA of the Tennessee Heartland	25,000
East Tennessee Children’s Hospital Rehab Center (designations only)	9,288
East Tennessee Kidney Foundation, Inc.	18,000
Epilepsy Foundation of East Tennessee	11,500
Family Promise of Blount County	76,800
The Florence Crittenton Agency	16,600
GATE – Gateway to Independence	14,820
Girl Scouts of the Southern Appalachians	15,000
Girls Inc. of TN Valley	30,000
Good Neighbors of Blount County	46,000
Great Smoky Mountain Council, Boy Scouts of America	24,260
Haven House, Inc.	76,926
The Hearing and Speech Foundation	10,000
Legal Aid of East Tennessee	77,000
LTVEC – Birth to Three Program	25,000
Maryville Kiwanis Foundation- Imagination Library	7,500
McNabb Center	262,515
New Hope Blount County Children’s Advocacy Center	59,108
Second Harvest Food Bank of East Tennessee	29,948
Senior Citizens Home Assistance Service, Inc.	54,500
SPARK (designations only)	139
Trinity Health Ministries, Inc.	30,000
Designations to Other United Ways	<u>200,840</u>
	1,425,341
CLS Clubs Mini Grants:	
Blount County Community Action Agency	5,000
Girls Inc. of TN Valley	5,000
New Hope Blount County Children’s Advocacy Center	<u>5,000</u>
	15,000
COVID-19 Response Fund Grants:	
Big Brothers Big Sisters of East Tennessee	1,355
Blount County Community Action Agency	10,000
Blount County Habitat for Humanity	5,000
Boys & Girls Club of Blount County	5,000
Camp in the Community	5,000
Centro Hispano	5,000
Compassion Counseling	2,675

(Continued)

UNITED WAY OF BLOUNT COUNTY
 Schedule of Agency Support
 Year Ended December 31, 2020

COVID-19 Response Fund Grants (Continued):	
Epilepsy Foundation of East Tennessee	5,000
Family Promise of Blount County	2,000
GATE – Gateway to Independence	5,500
Girls Inc. of TN Valley	2,500
Good Neighbors of Blount County	75,000
LTVEC – Birth to Three Program	1,800
McNabb Center	12,700
New Hope Blount County Children’s Advocacy Center	6,500
Salvation Army	5,000
Second Harvest Food Bank of East Tennessee	5,000
Senior Citizens Home Assistance Service, Inc.	8,000
UWBC Technology Implementation	<u>630</u>
	163,660
 Total	 <u>\$ 1,604,001</u>