

UNITED WAY OF BLOUNT COUNTY
Maryville, Tennessee

FINANCIAL STATEMENTS

December 31, 2022

UNITED WAY OF BLOUNT COUNTY
Maryville, Tennessee
For Year Ended December 31, 2022

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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, 2022, 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, 2022, 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 pages 15-18 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

The financial statements of United Way Blount County as of December 31, 2021, and for the year then ended were audited by other auditors who have ceased operations. Those auditors expressed in unmodified opinion on those financial statements in their report dated August 24, 2022.

PSH Audit & Assurance Services, PLLC

Certified Public Accountants

November 3, 2023

UNITED WAY OF BLOUNT COUNTY
Statement of Financial Position
December 31, 2022
With Comparative Totals for December 31, 2021

ASSETS	<u>2022</u>	<u>2021</u>
Current Assets		
Cash	\$ 1,389,017	\$ 1,278,443
Pledges receivable, net of estimated uncollectibles of \$184,159 and \$176,971 for 2022 and 2021	<u>1,855,521</u>	<u>1,798,602</u>
Total Current Assets	<u>3,244,538</u>	<u>3,077,045</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	100,102	100,102
Total Property and Equipment	2,165,155	2,165,155
Accumulated depreciation	<u>(950,915)</u>	<u>(891,439)</u>
Net Property and Equipment	<u>1,214,240</u>	<u>1,273,716</u>
Total Assets	<u>\$ 4,458,778</u>	<u>4,350,761</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ -	\$ -
Accrued compensated absences	10,572	10,872
Accrued payroll liabilities	2,121	1,930
Deferred revenue	<u>187,763</u>	<u>24,800</u>
Total Current Liabilities	<u>200,456</u>	<u>37,602</u>
Long-Term Liabilities		
Security deposit	<u>11,375</u>	<u>11,375</u>
Total Liabilities	<u>211,831</u>	<u>48,977</u>
Net Assets		
Without Donor Restrictions:		
Board Designated	403,726	356,326
Undesignated	1,987,700	2,146,856
With Donor Restrictions	<u>1,855,521</u>	<u>1,798,602</u>
Total Net Assets	<u>4,246,947</u>	<u>4,301,784</u>
Total Liabilities and Net Assets	<u>\$ 4,458,778</u>	<u>\$ 4,350,761</u>

See accompanying independent auditor's report and notes.

UNITED WAY OF BLOUNT COUNTY
Statement of Activities
Year Ended December 31, 2022
With Comparative Totals for the Year December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
REVENUE AND OTHER SUPPORT				
Contributions	\$ -	\$ 2,155,831	\$ 2,155,831	\$ 2,094,329
COVID-19 Response Fund	-	20,000	20,000	95,050
Less, provision for uncollectible				
Net of recoveries	-	(96,666)	(96,666)	(137,458)
Less, donor designations	-	(215,817)	(215,817)	(222,140)
Net campaign revenue	-	1,863,348	1,863,348	1,829,781
Special events income, net of direct expenses of \$7,092	-	89,268	89,268	77,857
Grants awarded	45,000	-	45,000	45,000
In-kind revenue	17,750	-	17,750	20,269
Interest income	3,555	-	3,555	2,096
Forgiveness of PPP loan	-	-	-	-
Rental income	68,250	-	68,250	68,250
Media sponsor	15,025	-	15,025	14,700
Meeting sponsor	12,750	-	12,750	12,450
Miscellaneous	6,454	-	6,454	5,913
Net assets released from				
Restrictions	1,855,521	(1,855,521)	-	-
Total Revenues and Other Support	2,024,305	97,095	2,121,400	2,076,316
EXPENSES				
Programs				
Health and human services	1,872,504	-	1,872,504	1,709,371
Supporting Services				
General and administrative	113,541	-	113,541	87,071
Campaign fundraising	159,502	-	159,502	165,878
Other expenses - rental	30,690	-	30,690	87,463
Total Expenses (includes donated services of \$17,750)	2,176,237	-	2,176,237	2,049,783
Change in Net Assets	(151,932)	97,095	(54,837)	26,533
NET ASSETS - BEGINNING OF YEAR	2,503,182	1,798,602	4,301,784	4,275,251
NET ASSETS - END OF YEAR	\$ 2,351,250	\$ 1,895,697	\$ 4,246,947	\$ 4,301,784

See accompanying independent auditor's report and notes.

UNITED WAY OF BLOUNT COUNTY
Statement of Cash Flows
Year Ended December 31, 2022
With Comparative Totals for the Year December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (54,837)	\$ 26,533
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	59,476	59,476
In-kind contributions of fixed assets	-	(2,489)
Change in allowance for doubtful accounts	-	(42,920)
Change in assets and liabilities:		
Gross pledges receivable	(57,137)	9,282
Accounts payable	-	(1,421)
Security deposit	-	-
Accrued payroll	(191)	708
Deferred revenue	162,963	24,800
Accrued compensated absences	300	(565)
Net Cash Provided By Operating Activities	<u>\$ 110,574</u>	<u>\$ 73,404</u>

CASH FLOWS USED BY INVESTING ACTIVITIES

Purchase of fixed assets	<u>-</u>	<u>-</u>
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NET INCREASE (DECREASE) IN CASH	110,574	73,404
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CASH AT BEGINNING OF YEAR	<u>1,278,443</u>	<u>1,205,039</u>
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CASH AT END OF YEAR	<u>\$ 1,389,017</u>	<u>\$ 1,278,443</u>
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Supplemental Non-Cash Information:

Donated Services	\$ 17,750	17,780
Donated Fixed Assets	-	2,489
	<u>\$ 17,750</u>	<u>\$ 20,269</u>

See accompanying independent auditor's report and notes.

UNITED WAY OF BLOUNT COUNTY

Statement of Functional Expenses

Year Ended December 31, 2022

With Comparative Totals for the Year Ended December 31, 2021

	Program Services		General and		Campaign Fund		Rental		2022		2021
	Health and		Administrative		Raising		Property		Total		Total
	Human Services										
Salaries	\$ 213,222	\$	66,155	\$	99,974	\$	-	\$	379,351	\$	369,842
Employee benefits	45,761		17,643		21,486		-		84,890		86,418
Payroll taxes	16,864		5,213		7,916		-		29,993		28,192
Contract labor	10,000		-		-		-		10,000		-
Insurance and bonds	3,481		1,266		1,582		2,701		9,030		8,032
Conferences and meetings	1,814		496		620		-		2,930		6,110
Dues	20,528		302		377		-		21,207		33,871
Campaign supplies	811		295		368		-		1,474		562
Depreciation	21,411		7,464		8,921		21,679		59,475		59,476
Maintenance and repairs	9,169		3,334		4,168		-		16,671		37,670
Occupancy	12,058		4,385		5,481		6,310		28,234		20,032
Postage and shipping	1,461		531		664		-		2,656		2,462
Printing	1,763		641		801		-		3,205		3,042
Professional	3,454		1,256		1,570		-		6,280		5,000
Telephone	3,360		1,222		1,527		-		6,109		4,651
Travel	1,346		490		612		-		2,448		3,900
Subscriptions/Publication	208		-		-		-		208		188
Supplies	1,092		397		497		-		1,986		1,805
Miscellaneous	-		-		-		-		-		1,414
Advertising	17,991		-		-		-		17,991		27,782
Agencies - allocations	1,432,659		-		-		-		1,432,659		1,203,415
COVID 19 Response grants	45,000		-		-		-		45,000		137,354
Equipment	1,082		394		492		-		1,968		791
Bank fees	3,211		1,267		1,459		-		5,937		3,785
Licenses and fees	4,305		625		781		-		5,711		3,269
Other operating expense	453		165		206		-		824		720
	<u>\$ 1,872,504</u>	<u>\$</u>	<u>113,541</u>	<u>\$</u>	<u>159,502</u>	<u>\$</u>	<u>30,690</u>	<u>\$</u>	<u>2,176,237</u>	<u>\$</u>	<u>2,049,783</u>

See accompanying independent auditor's report and notes.

UNITED WAY OF BLOUNT COUNTY

Notes to Financial Statements
Year Ended December 31, 2022

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 are presented on the accrual basis. The significant accounting policies followed are described below:

Net assets and 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 grantor or donor-imposed stipulations that may or will be met, either by actions by the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities released from restrictions.

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as net assets with donor restrictions.

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, 2021, 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, 2022 and 2021, there were no cash equivalents.

Contributions and accounts receivable

The Organization reports contributions, net of an allowance for doubtful accounts, at the amount which represents management's estimate of the amount that ultimately will be realized. The Organization reviews the adequacy of its allowance for uncollectible accounts on an ongoing basis, using historical trends and existing economic conditions, as well as review of specific accounts, and makes adjustments in the allowance as necessary.

UNITED WAY OF BLOUNT COUNTY
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

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

Donated Services and In-Kind Contributions

A large number of volunteers donate substantial amounts of time toward the annual campaign and the various community activities. Donated services are only recognized if the donated service requires specialized skills and were provided by a donor who possesses such skills and would have been purchased by the Organization if not donated. Donated property and other in-kind contributions are recognized in the financial statements at fair value when received.

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

Property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their used and contributions of cash that must be used to acquire property and equipment are reported as restricted donor support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations or donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation expense for the years ended December 31, 2022 and 2021, was \$59,476 and \$59,476, respectively, computed using straight-line methods over the estimated useful lives of the assets, which range from five to thirty-nine years.

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU No. 2016-02 – *Leases*. The standard requires all leases with lease terms over twelve months to be capitalized as a right to use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either financing or operating. This distinction will be relevant for the patten or expense recognition in the statement of activities and changes in net assets. This standard will be effective for annual periods beginning after December 15, 2022. Management is evaluating the potential impact of the adoption of this standard.

Functional Allocation of Expense

The cost of providing the various program services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services.

(Continued)

UNITED WAY OF BLOUNT COUNTY
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

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.

Revenue recognition

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a donor restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities and changes in net assets are net assets released from restriction. The Organization considers the pledges received under the current year community-wide campaign, to be restricted for use in the following year.

Program revenues are generally recognized when services are rendered. The Organization recognizes revenue from fundraising on the day of a fundraising event.

Donor designations

The Organization receives contributions that have been designated by the donor for certain member groups and agencies. The Organization honors these designations and transfers the donor designated gifts to the appropriate groups or agencies. At December 31, 2022 and 2021, all designated gifts received had been allocated accordingly.

Advertising

The Organization had advertising costs of \$27,782 and \$26,823 during the years ended December 31, 2022 and 2021, respectively. Advertising costs are expensed when they are incurred. Advertising valued at \$17,750 and \$18,000 was donated during the years ended December 31, 2022 and 2021, respectively and is included in the Statements of Functional Expenses. Corresponding revenue is included in the in-kind revenue line in the Statement of Activities.

Income Tax Status

The Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and the Internal Revenue Service has determined that the Organization is not a private foundation under Internal Revenue Code Section 509(a). There were no unrecognized tax benefits identified or recorded as liabilities for the years ending December 31, 2022 and 2021.

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 pledge securities held by the bank.

(Continued)

UNITED WAY OF BLOUNT COUNTY
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

NOTE B – LIQUIDITY

The Organization has a policy to manage its liquidity and reserve following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Financial assets to meet cash needs for	<u>2022</u>	<u>2021</u>
General expenditures within one year		
Cash and cash equivalents	\$ 1,389,017	\$ 1,278,443
Pledges receivable, net	<u>1,855,521</u>	<u>1,798,602</u>
Total financial assets available to meet cash		
needs for general expenditures within one year	\$ <u><u>3,244,538</u></u>	\$ <u><u>3,077,045</u></u>

NOTE C – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as December 31:

	<u>2022</u>	<u>2021</u>
Pledge receivable	\$ 2,039,680	\$ 1,975,573
Less: Allowance for uncollectibles	<u>(184,159)</u>	<u>(176,971)</u>
	\$ <u><u>1,855,521</u></u>	\$ <u><u>1,798,602</u></u>

NOTE D – 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 years ended December 31, 2022 and 2021 was \$35,524 and 34,505, respectively.

(Continued)

UNITED WAY OF BLOUNT COUNTY
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

NOTE E – BOARD DESIGNATED NET ASSETS

The Board has designated the following net assets:

	2022	2021
Arconic Equity Grant	\$ 35,000	\$ -
Future Fund	91,056	90,691
Building maintenance reserve	72,361	66,295
Summit fund	66,777	75,063
Champions for Change	2,847	550
Connect. Lead. Serve (CLS)	-	13
Community Force	-	159
Connect United	5,250	5,250
COVID-19 Response Fund	44,095	69,095
Concert	-	6,000
Arconic Grant	28,200	38,947
DEI workshops	894	894
Discretionary grants	57,246	3,369
	\$ 403,726	\$ 356,326

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2022	2021
Land	\$ 203,535	\$ 203,535
Building	1,775,518	1,775,518
Building improvements	86,000	86,000
Equipment and furniture	100,102	100,102
Total property and equipment	2,165,155	2,165,155
Less - Accumulated depreciation	(950,915)	(891,439)
Net property and equipment	\$ 1,214,240	\$ 1,273,716

Depreciation expense for the years ended December 31, 2022 and 2021 was \$59,476 and \$60,100, respectively.

NOTE G – RECLASSIFICATION

Certain items previously reported in the 2021 financial statements have been reclassified to facilitate the presentations in the 2022 financial statements.

(Continued)

UNITED WAY OF BLOUNT COUNTY
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

NOTE H – 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, 2022 and 2021 were \$10,572 and \$10,872, respectively.

NOTE I – 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 campaigns is as follows:

	2022	2021
2024/2025 Campaign	\$ 48,492	\$ -
2023/2024 Campaign	47,936	-
2022/2023 Campaign	1,496,172	1,800
2021/2022 Campaign	257,153	1,542,075
2020/2021 Campaign	90,296	242,803
2019/2020 Campaign	99,631	101,606
2018/2019 Campaign	-	87,289
2017/2018 Campaign	-	-
	2,039,680	1,975,573
Less allowance for uncollectible pledges	(184,159)	(176,971)
Net pledges receivable	\$ 1,855,521	\$ 1,798,602

The following summarizes the change in the allowance for estimated uncollectible pledges for the year ended December 31:

	2022	2021
Balance at beginning of year	\$ 176,971	\$ 219,891
Provision	103,856	137,458
Write-offs, net	(96,668)	(180,378)
Balance at end of year	\$ 184,159	\$ 176,971

(Continued)

UNITED WAY OF BLOUNT COUNTY
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

NOTE J – LEASES IN FINANCIAL STATEMENT OF LESSORS

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:

	<u>2022</u>	<u>2021</u>
6,500 square feet of 13, 100 square feet building	\$ 845,457	\$ 845,457
Less: Accumulated depreciation	<u>(395,088)</u>	<u>(373,410)</u>
	<u>\$ 450,369</u>	<u>\$ 472,047</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>
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 is as follows:

	<u>2022</u>	<u>2021</u>
Expenses		
Advertising -- Campaign related	\$ 17,750	\$ 17,780

NOTE L – CONCENTRATION

During the year ended December 31, 2022, the Organization received approximately 30% of its support from two donors. During the year ended December 31, 2022 the Organization received approximately 35% 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.

(Continued)

UNITED WAY OF BLOUNT COUNTY
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

NOTE M – OPERATING LEASE

In February 2021, the organization entered into a contract for the lease of a printer and a copier for 60 months at a rate of \$232 per month. In February 2022, the Organization signed a lease to rent a postage machine. Under the terms of the lease, the Organization will pay 20 quarterly payments of \$282 beginning on June 10, 2022.

In June 2022, the Organization entered into a three-year subscription fee agreement. Under the terms of the agreement, the Organization will pay three annual payments of \$2,550 in exchange for hosting services and annual software maintenance support.

Future minimum lease payments under non-cancelable leases as of December 31, 2022, are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2023	\$ 6,461
2024	6,461
2025	1,824
2026	1,128
2027	564

NOTE N – LINE OF CREDIT

The Organization has a \$250,000 unsecured line of credit with a local bank. The line of credit matures on September 20, 2025. There was no unpaid balance on the line of credit for the years ended December 31, 2022 and 2021, respectively. There were no draws from the line of credit during 2022 or 2021 and therefore the Organization did not incur interest expense during 2022 or 2021.

NOTE O – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Expenses are charged directly to program, fundraising, rental or management categories based on specific identification or management’s allocation, based on expenditures and assessment of time and effort devoted to the respective functions. During the years ended December 31, 2022 there were no joint costs involving fundraising appeals.

UWBC functional expenses percentages are as follows:

55%, 20% and 25% for Program Services, General and Administrative, and Campaign Fundraising, respectively for the following categories: travel, professional fees, bank fees, equipment, telephone, license and fees, postage and shipping, dues, printing, subscriptions/publications, conferences and meetings, miscellaneous, other operating, and supplies expenses.

(Continued)

UNITED WAY OF BLOUNT COUNTY
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

NOTE O – FUNCIONAL ALLOCATION OF EXPENSES (Continued)

36%, 12.55%, 15% and 36.45% for Program Services, General and Administrative, Campaign Fundraising and Rental, respectively for the following categories: depreciation expense.

38%, 14%, 18% and 30% for Program Services, General and Administrative, Campaign Fundraising and Rental, respectively for the following categories: occupancy and repairs and maintenance expenses.

39%, 14%, 17% and 30% for Program Services, General and Administrative, Campaign Fundraising and Rental, respectively for the following categories: insurance and bonds expense.

100% for Program Services for the following categories: agency allocations, designations to other United Ways, program fees, and grant expenses.

NOTE P – SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2022, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is November 3, 2023, which is the date on which the financial statements were issued.

SUPPLEMENTAL INFORMATION

UNITED WAY OF BLOUNT COUNTY

Schedule of Agency Support
Year Ended December 31, 2022

A Place to Stay	\$ 27,500
Big Brothers Big Sisters of East TN	10,875
Blount County Community Action Agency	75,000
Blount County Habitat for Humanity	42,000
Boys and Girls Club of Blount County	167,153
CASA of the Tennessee Heartland	35,000
Compassion Counseling	25,000
East Tennessee Children's Hospital Rehab Center (designations only)	5,320
East Tennessee Kidney Foundation, Inc.	13,500
Epilepsy Foundation of East Tennessee	1,468
Family Promise of Blount County	70,000
The Florence Crittenton Agency	16,800
GATE – Gateway to Independence	20,000
Girls Inc. of TN Valley	30,000
Good Neighbors of Blount County	50,000
Great Smoky Mountain Council, Boy Scouts of America	20,000
Haven House, Inc.	91,000
The Hearing and Speech Foundation	10,000
Legal Aid of East Tennessee	77,000
LTVEC – Birth to Three Program	23,000
Maryville Kiwanis Foundation- Imagination Library	7,500
McNabb Center	233,348
New Hope Blount County Children's Advocacy Center	60,000
Second Harvest Food Bank of East Tennessee	10,000
Senior Citizens Home Assistance Service, Inc.	50,417
Trinity Health Ministries, Inc.	30,000
Designations to Other United Ways	<u>\$ 215,817</u>
	1,417,698
 CLS Clubs Mini Grants:	
A Place to Stay	5,000
New Hope Children's Advocacy Center	5,000
Second Harvest Foodbank	<u>5,000</u>
	15,000
 COVID-19 Response Fund Grants:	
Blount County Community Action Agency	5,000
Good Neighbors of Blount County	<u>40,000</u>
	45,000

UNITED WAY OF BLOUNT COUNTY

Schedule of Agency Support
Year Ended December 31, 2022

Discretionary Grants:

Blount Memorial Hospital Foundation	\$	26,000
Girls Inc of TN Valley		7,500
John 316 Outreach Ministries		15,000
Kingdom Design Ministries		15,000
Open Hearts Open Arms		15,000
		<u>78,500</u>

Total \$ 1,556,198

UNITED WAY OF BLOUNT COUNTY

Schedule of Agency Support
Year Ended December 31, 2021

A Place to Stay	\$ 20,804
Big Brothers Big Sisters of East TN	11,677
Blount County Community Action Agency	71,968
Blount County Habitat for Humanity	34,435
Boys and Girls Club of Blount County	160,485
CASA of the Tennessee Heartland	33,820
Compassion Counseling	24,157
East Tennessee Children’s Hospital Rehab Center (designations only)	9,295
East Tennessee Kidney Foundation, Inc.	13,045
Epilepsy Foundation of East Tennessee	4,831
Family Promise of Blount County	67,640
The Florence Crittenton Agency	16,234
GATE – Gateway to Independence	19,326
Girl Scouts of the Southern Appalachians	742
Girls Inc. of TN Valley	29,393
Good Neighbors of Blount County	48,314
Great Smoky Mountain Council, Boy Scouts of America	7,730
Haven House, Inc.	82,053
The Hearing and Speech Foundation	9,663
Kingdom Design Ministries, Inc.	15,000
Legal Aid of East Tennessee	74,403
LTVEC – Birth to Three Program	22,225
Maryville Kiwanis Foundation- Imagination Library	7,247
McNabb Center	253,251
New Hope Blount County Children’s Advocacy Center	52,056
Second Harvest Food Bank of East Tennessee	26,523
Senior Citizens Home Assistance Service, Inc.	53,146
SPARK (designations only)	528
Trinity Health Ministries, Inc.	28,989
Designations to Other United Ways	211,575
	<hr/>
	1,410,555
 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	5,000
	<hr/>
	15,000
 COVID-19 Response Fund Grants:	
A Place to Stay	5,913
Big Brothers Big Sisters of East Tennessee	407
Blount County Community Action Agency	2,512
Blount County Habitat for Humanity	1,201
Boys & Girls Club of Blount County	5,600

UNITED WAY OF BLOUNT COUNTY

Schedule of Agency Support
Year Ended December 31, 2021

COVID-19 Response Fund Grants (Continued):

Compassion Conseling	843
East TN Kidney Foundation	455
Epilepsy Foundation of East Tennessee	169
Family Promise of Blount County	3,860
First United Methodist Church/RAM Clinic	1,000
GATE -- Gateway to Independence	674
Girls Inc. of TN Valley	607
Good Neighbors of Blount County	86,686
Great Smoky Mountain Council, BSA	270
Haven House	2,863
Legal Aid of East Tennessee	2,597
LTVEC -- Birth to Three Program	775
Maryville Kiwanis Foundation	253
McNabb Center	8,313
New Hope Blount County Children's Advocacy Center	1,816
Second Harvest Food Bank of East Tennessee	925
Senior Citizens Home Assistance Services, Inc.	6,521
The Florence Crittenton Agency	566
The Hearing and Speech Foundation	337
Trinity Health Ministries, Inc.	1,011
	<u>120,541</u>
Total	<u>\$ 1,562,909</u>