

UNITED WAY OF THE OCOEE REGION & AFFILIATE

FINANCIAL STATEMENTS

December 31, 2023 and 2022

UNITED WAY OF THE OCOEE REGION & AFFILIATE

CONTENTS

December 31, 2023 and 2022

FINANCIAL STATEMENTS

Independent Auditors' Report	1-2
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4-5
Statements of Functional Expenses	6-7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9-27

SUPPLEMENTARY FINANCIAL INFORMATION

Schedule of Allocations to Member Agencies	28
--	----

**JHM Chattanooga**  
2215 Olan Mills Drive  
Chattanooga, TN 37421  
T: 423.756.0052  
F: 423.267.5945  
jhmcpa.com



**JHM Cleveland**  
1040 William Way NW  
Cleveland, TN 37312  
T: 423.472.6543  
F: 423.472.6544  
jhmcpa.com

---

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
United Way of the Ocoee Region

### **Opinion**

We have audited the accompanying consolidated financial statements of United Way of the Ocoee Region (a nonprofit organization) and affiliate (the Organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Ocoee Region and affiliate as of December 31, 2023 and 2022 and the changes in their net assets and their 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 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 the Organization 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.

### **Prior Period Financial Statements**

The financial statements as of December 31, 2022, were audited by Harting, Bishop & Arrendale, PLLC, who merged with Johnson, Hickey & Murchison, P.C. as of February 16, 2024, and whose report dated June 1, 2023, expressed an unmodified opinion on those statements.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 the Organization'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 the Organization'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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of allocations to member agencies on page 28 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 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.

*Johnson, Niskey & Meuchson, P.C.*

Chattanooga, Tennessee  
July 10, 2024

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2023 and 2022

	2023		2022			
	United Way of the Ocoee Region	United Way of Bradley Co. Endowment Trust	Total	United Way of the Ocoee Region	United Way of Bradley Co. Endowment Trust	Total
<b>ASSETS</b>						
Current Assets						
Cash and cash equivalents	\$ 629,415	\$ -	\$ 629,415	\$ 465,002	\$ -	\$ 465,002
Receivables						
Pledges, net of the allowance for uncollectible accounts of \$81,000 and \$72,000 for 2023 and 2022, respectively	807,207	-	807,207	844,908	-	844,908
Other receivable	23,094	-	23,094	26,228	-	26,228
Investments	874,420	288,562	1,162,982	774,550	259,541	1,034,091
Investments, Bradley Memorial Endowment	28,633,205	-	28,633,205	26,730,861	-	26,730,861
Total Current Assets	30,967,341	288,562	31,255,903	28,841,549	259,541	29,101,090
Property and Equipment						
Land, buildings and equipment, net of depreciation	387,048	-	387,048	432,401	-	432,401
<b>TOTAL ASSETS</b>	<b>\$ 31,354,389</b>	<b>\$ 288,562</b>	<b>\$ 31,642,951</b>	<b>\$ 29,273,950</b>	<b>\$ 259,541</b>	<b>\$ 29,533,491</b>
<b>LIABILITIES AND NET ASSETS</b>						
Current Liabilities						
Accounts payable	77,143	-	77,143	55,823	-	55,823
Allocations payable	885,096	-	885,096	980,402	-	980,402
Total Current Liabilities	962,239	-	962,239	1,036,225	-	1,036,225
Net Assets						
Without donor restrictions						
Undesignated	1,435,057	-	1,435,057	1,462,927	-	1,462,927
Designated	103,049	-	103,049	107,503	-	107,503
With donor restrictions	28,854,044	288,562	29,142,606	26,667,295	259,541	26,926,836
Total Net Assets	30,392,150	288,562	30,680,712	28,237,725	259,541	28,497,266
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 31,354,389</b>	<b>\$ 288,562</b>	<b>\$ 31,642,951</b>	<b>\$ 29,273,950</b>	<b>\$ 259,541</b>	<b>\$ 29,533,491</b>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
CONSOLIDATED FINANCIAL STATEMENTS OF ACTIVITIES  
For the Years Ended December 31, 2023 and 2022

	2023			2022		
	United Way of the Ocoee Region	United Way of Bradley Co. Endowment Trust	Total	United Way of the Ocoee Region	United Way of Bradley Co. Endowment Trust	Total
<b>WITHOUT DONOR RESTRICTIONS</b>						
<b>PUBLIC SUPPORT AND REVENUE</b>						
Donations	\$ 27,413	\$ -	\$ 27,413	\$ 7,850	\$ -	\$ 7,850
In-Kind revenue	2,599	-	2,599	11,071	-	11,071
<b>OTHER REVENUE</b>						
Investment return	103,015	-	103,015	(151,043)	-	(151,043)
Development income	28,500	-	28,500	28,293	-	28,293
Other income	173	-	173	20,576	-	20,576
	<u>161,700</u>	<u>-</u>	<u>161,700</u>	<u>(83,253)</u>	<u>-</u>	<u>(83,253)</u>
Net assets released from restrictions						
Restriction satisfied by allocation payable	1,325,544	-	1,325,544	1,709,093	-	1,709,093
Restriction satisfied by expiration of time	482,455	-	482,455	771,999	-	771,999
Restriction satisfied by payment	1,426,240	-	1,426,240	1,249,749	-	1,249,749
	<u>3,234,239</u>	<u>-</u>	<u>3,234,239</u>	<u>3,730,841</u>	<u>-</u>	<u>3,730,841</u>
<b>Total Revenues and Support</b>	<u>3,395,939</u>	<u>-</u>	<u>3,395,939</u>	<u>3,647,588</u>	<u>-</u>	<u>3,647,588</u>
<b>Expenses</b>						
Program services:						
Allocations and grants	1,852,889	-	1,852,889	2,027,010	-	2,027,010
Housing United	144,150	-	144,150	131,516	-	131,516
Ocoee Connect	103,194	-	103,194	245,703	-	245,703
VISTA	173,678	-	173,678	136,512	-	136,512
Read United	103,983	-	103,983	101,170	-	101,170
WHR Christmas	62,677	-	62,677	51,593	-	51,593
Women United	89,866	-	89,866	67,617	-	67,617
Bradley Memorial Health Endowment	257,241	-	257,241	482,242	-	482,242
Community services	293,434	-	293,434	301,826	-	301,826
Support services:						
Management and general	103,883	-	103,883	121,785	-	121,785
Fundraising	224,330	-	224,330	213,283	-	213,283
Unallocated payments to national organization	18,938	-	18,938	22,843	-	22,843
<b>Total Expenses</b>	<u>3,428,263</u>	<u>-</u>	<u>3,428,263</u>	<u>3,903,100</u>	<u>-</u>	<u>3,903,100</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>(32,324)</u>	<u>-</u>	<u>(32,324)</u>	<u>(255,512)</u>	<u>-</u>	<u>(255,512)</u>

(Continued on Next Page)

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
For the Years Ended December 31, 2023 and 2022  
(Continued from previous page.)

	2023		2022	
	United Way of the Ocoee Region	United Way of Bradley Co. Endowment Trust	United Way of the Ocoee Region	United Way of Bradley Co. Endowment Trust
	Total	Total	Total	Total
<b>WITH DONOR RESTRICTIONS</b>				
<b>PUBLIC SUPPORT AND REVENUE</b>				
Campaign contributions	\$ 1,240,806	\$ -	\$ 1,240,806	\$ -
Less uncollectible contributions	(115,636)	-	(115,636)	-
Project Round Up	189,272	-	189,272	-
Women United Campaign	123,788	-	123,788	-
Women United	52,100	-	52,100	-
Community Projects	40,973	-	40,973	-
Read United	60,860	-	60,860	-
Bradley County ARP Grant	-	-	-	-
WHR Christmas	48,053	-	48,053	-
VISTA Grant	91,480	-	91,480	-
<b>OTHER REVENUE</b>				
VISTA support	68,434	-	68,434	-
Investment return	162	29,021	29,183	(27,982)
Investment return, Bradley Memorial Health Endowment	3,620,696	-	3,620,696	-
Net assets released from restrictions:				
Restriction satisfied by allocation payable	(1,325,544)	-	(1,325,544)	-
Restriction satisfied by expiration of time	(482,455)	-	(482,455)	-
Restriction satisfied by payment	(1,426,240)	-	(1,426,240)	-
Increase (Decrease) in Net Assets With Donor Restrictions	<u>2,186,749</u>	<u>29,021</u>	<u>2,215,770</u>	<u>(27,982)</u>
Increase (Decrease) in Net Assets	2,154,425	29,021	2,183,446	(27,982)
Net Assets, beginning of year	<u>28,237,725</u>	<u>259,541</u>	<u>28,497,266</u>	<u>287,523</u>
Net Assets, end of year	<u>\$ 30,392,150</u>	<u>\$ 288,562</u>	<u>\$ 30,680,712</u>	<u>\$ 259,541</u>
			<u>\$ 1,379,876</u>	<u>\$ 1,379,876</u>
			<u>(14,253)</u>	<u>(14,253)</u>
			<u>200,710</u>	<u>200,710</u>
			<u>89,152</u>	<u>89,152</u>
			<u>45,575</u>	<u>45,575</u>
			<u>44,076</u>	<u>44,076</u>
			<u>53,737</u>	<u>53,737</u>
			<u>100,000</u>	<u>100,000</u>
			<u>30,972</u>	<u>30,972</u>
			<u>71,451</u>	<u>71,451</u>
			<u>42,378</u>	<u>42,378</u>
			<u>30</u>	<u>(27,952)</u>
			<u>(5,252,641)</u>	<u>(5,252,641)</u>
			<u>(1,709,093)</u>	<u>(1,709,093)</u>
			<u>(771,999)</u>	<u>(771,999)</u>
			<u>(1,249,749)</u>	<u>(1,249,749)</u>
			<u>(6,939,778)</u>	<u>(6,967,760)</u>
			<u>(7,195,290)</u>	<u>(7,223,272)</u>
			<u>35,433,015</u>	<u>35,720,538</u>
			<u>\$ 28,237,725</u>	<u>\$ 28,497,266</u>
			<u>\$ 30,680,712</u>	<u>\$ 30,392,150</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF THE OCOEE REGION  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2023

	Program Services										Support Services		Total	
	Allocations and Grants	Housing United	Ocoee Connect	VISTA	Read United	WHR Christmas	Women United	Memorial Health Endowment	Community Services	Management and General	Fund-Raising			
Allocations - United Way agencies	\$ 690,023	-	-	-	-	-	-	-	-	-	-	-	-	\$ 690,023
Allocations - Project Round Up	181,951	-	-	-	-	-	-	-	-	-	-	-	-	181,951
Allocations - Bradley Memorial Endowment	980,915	-	-	-	-	-	-	-	-	-	-	-	-	980,915
	1,852,889	-	-	-	-	-	-	-	-	-	-	-	-	1,852,889
<b>Personnel Expenses:</b>														
Salaries	-	37,023	58,874	69,016	5,960	14,025	20,896	171,651	162,093	51,487	136,694			727,719
Payroll taxes	-	2,818	3,630	4,329	291	857	1,537	12,395	11,786	3,655	9,998			51,296
Employee benefits	-	6,495	9,822	12,395	1,080	2,507	3,755	27,656	27,492	8,964	23,308			123,474
	-	46,336	72,326	85,740	7,331	17,389	26,188	211,702	201,371	64,106	170,000			902,489
<b>Other Expenses:</b>														
Professional fees	-	1,377	1,378	-	-	-	-	10,931	3,902	3,902	3,902			25,392
Contract labor	-	-	735	82,054	-	-	45	-	44	45	45			82,968
Information technology	-	2,392	7,291	-	-	-	-	6,521	6,522	6,522	6,522			35,770
Supplies	-	309	480	61	-	-	26	877	877	877	8,370			11,877
Development expense	-	48	230	2,734	2,056	-	-	330	8,489	26	6,934			20,847
Advertising	-	-	-	-	-	-	-	-	-	-	-			-
Telephone	-	1,594	1,232	96	-	-	-	1,701	1,701	1,701	1,701			9,726
Postage	-	-	-	-	186	-	385	-	-	154	1,002			1,727
Insurance	-	1,090	1,090	-	-	-	-	3,091	3,091	3,091	3,091			14,544
Occupancy	-	1,484	1,484	-	-	-	-	4,205	4,206	4,205	4,205			19,789
Repairs and maintenance	-	2,129	328	-	-	-	-	930	930	930	930			6,177
Dues and subscriptions	-	-	-	-	-	-	-	948	3,142	948	948			5,986
Travel	-	163	107	773	-	-	-	172	527	188	255			2,185
Conferences and meetings	-	1,271	55	1,627	-	-	-	695	6,556	271	902			11,377
Program expenses	-	85,957	16,168	585	94,410	45,288	63,222	2,500	32,971	5,097	-			346,198
Miscellaneous	-	-	290	8	-	-	-	288	2,569	318	2,908			6,381
Depreciation	-	-	-	-	-	-	-	12,350	16,536	11,502	12,615			53,003
	-	97,814	30,868	87,938	96,652	45,288	63,678	45,539	92,063	39,777	54,330			653,947
	\$ 1,852,889	\$ 144,150	\$ 103,194	\$ 173,678	\$ 103,983	\$ 62,677	\$ 89,866	\$ 257,241	\$ 293,434	\$ 103,883	\$ 224,330			\$ 3,409,325

The accompanying notes are an integral part of this financial statement.



UNITED WAY OF THE OCOEE REGION  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2022

	Program Services										Support Services		
	Allocations and Grants	Housing United	Ocoee Connect	VISTA	Read United	WHR Christmas	Women United	Memorial Endowment	Health Endowment	Community Services	Management and General	Fund-Raising	Total
Allocations - United Way agencies	\$ 708,794	-	-	-	-	-	-	-	-	-	-	-	\$ 708,794
Allocations - Project Round Up	254,701	-	-	-	-	-	-	-	-	-	-	-	254,701
Allocations - Bradley Memorial Endowment	1,063,515	-	-	-	-	-	-	-	-	-	-	-	-
	<u>2,027,010</u>												<u>2,027,010</u>
Personnel Expenses:													
Salaries	-	36,086	61,360	66,763	6,740	12,838	16,076	151,872	164,663	66,483	118,665	118,665	701,546
Payroll taxes	-	2,693	3,573	3,417	324	778	1,109	9,651	10,372	4,391	7,955	7,955	44,263
Employee benefits	-	6,228	7,187	11,765	1,133	2,261	2,373	25,707	26,828	11,081	20,412	20,412	114,975
	-	<u>45,007</u>	<u>72,120</u>	<u>81,945</u>	<u>8,197</u>	<u>15,877</u>	<u>19,558</u>	<u>187,230</u>	<u>201,863</u>	<u>81,955</u>	<u>147,032</u>	<u>147,032</u>	<u>860,784</u>
Other Expenses:													
Professional fees	-	1,295	1,295	-	-	-	-	9,614	3,838	3,838	4,258	4,258	24,138
Contract labor	-	-	45	50,249	-	-	-	-	-	-	-	-	50,294
Information technology	-	1,985	1,985	-	-	-	-	5,370	5,369	5,369	5,369	5,369	25,447
Supplies	-	931	791	29	146	-	-	1,893	2,766	2,675	15,562	15,562	24,793
Development expense	-	-	-	3,100	591	-	9	859	12,595	-	10,825	10,825	27,979
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	1,435	1,127	-	-	-	-	1,252	1,253	1,253	1,253	1,253	7,573
Postage	-	-	-	-	378	-	299	-	-	899	1,798	1,798	3,374
Insurance	-	988	988	-	-	-	-	2,799	2,800	2,799	2,800	2,800	13,174
Occupancy	-	1,456	1,456	-	-	-	-	4,126	4,126	4,126	4,126	4,126	19,416
Repairs and maintenance	-	2,798	909	-	-	-	-	2,320	2,499	2,499	2,919	2,919	13,944
Dues and subscriptions	-	-	-	-	-	-	-	1,021	3,148	1,020	1,020	1,020	6,209
Travel	-	274	55	496	-	-	-	186	250	621	205	205	2,087
Conferences and meetings	-	504	128	368	-	-	541	2,334	7,348	1,582	2,019	2,019	14,824
Program expenses	-	74,843	164,804	325	91,858	35,716	47,210	250,500	35,978	-	-	-	701,234
Miscellaneous	-	-	-	-	-	-	-	298	1,336	1,563	1,390	1,390	4,587
Depreciation	-	86,509	173,583	54,567	92,973	35,716	48,059	12,440	16,657	11,586	12,707	12,707	53,390
	-	<u>86,509</u>	<u>173,583</u>	<u>54,567</u>	<u>92,973</u>	<u>35,716</u>	<u>48,059</u>	<u>295,012</u>	<u>99,963</u>	<u>39,830</u>	<u>66,251</u>	<u>66,251</u>	<u>992,463</u>
	\$ 2,027,010	\$ 131,516	\$ 245,703	\$ 136,512	\$ 101,170	\$ 51,593	\$ 67,617	\$ 482,242	\$ 301,826	\$ 121,785	\$ 213,283	\$ 213,283	\$ 3,880,257

The accompanying notes are an integral part of this financial statement.

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2023 and 2022

	2023			2022		
	United Way of the Ocoee Region	United Way of Bradley Co. Endowment Trust	Total	United Way of the Ocoee Region	United Way of Bradley Co. Endowment Trust	Total
Cash Flows From Operating Activities						
Increase (Decrease) in net assets	\$ 2,154,425	\$ 29,021	\$ 2,183,446	\$ (7,195,290)	\$ (27,982)	\$ (7,223,272)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:						
Realized (gain) loss on investments, net	(67,687)	706	(66,981)	(22,231)	1,434	(20,797)
Unrealized (gain) loss on investments, net	(3,020,886)	(23,271)	(3,044,157)	6,342,137	32,369	6,374,506
Depreciation	53,003	-	53,003	53,390	-	53,390
Changes in operating assets and liabilities:						
Pledges receivable	37,701	-	37,701	(216,044)	-	(216,044)
Other receivable	3,134	-	3,134	(1,803)	-	(1,803)
Accounts payable	21,320	-	21,320	16,228	-	16,228
Designations payable	-	-	-	(159,450)	-	(159,450)
Allocations payable	(95,306)	-	(95,306)	172,232	-	172,232
Net Cash Provided (Used) by Operating Activities	(914,296)	6,456	(907,840)	(1,010,831)	5,821	(1,005,010)
Cash Flows From Investing Activities						
Purchase of property and equipment	(7,650)	-	(7,650)	(19,092)	-	(19,092)
Purchase of investments	(3,197,072)	(46,848)	(3,243,920)	(9,175,440)	(42,661)	(9,218,101)
Proceeds from sale of investments	4,283,431	40,392	4,323,823	9,813,316	36,840	9,850,156
Net Cash Provided (Used) by Investing Activities	1,078,709	(6,456)	1,072,253	618,784	(5,821)	612,963
Increase (Decrease) in Cash	164,413	-	164,413	(392,047)	-	(392,047)
Cash, beginning of year	465,002	-	465,002	857,049	-	857,049
Cash, end of year	\$ 629,415	\$ -	\$ 629,415	\$ 465,002	\$ -	\$ 465,002
SUPPLEMENTAL DISCLOSURE:						
Interest paid during the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES AND CONSOLIDATION POLICY: United Way of the Ocoee Region and affiliate (the Organizations) provide funds to member agencies, programs and special services whose common, underlying goal is to work together to help meet the needs of the community of Bradley County, TN, Polk County, TN and the greater Cleveland, TN area. United Way of the Ocoee Region is an independent, locally managed non-profit organization founded in 1953. The Organization and affiliate are supported primarily through donor contributions. The consolidated financial statements include the accounts of United Way of the Ocoee Region and United Way of Bradley County Endowment Trust. The Organizations have a common volunteer board of directors. There were no accounts or transactions between the affiliate and United Way of the Ocoee Region for the years ended December 31, 2023 and 2022.

BASIS OF ACCOUNTING: The financial statements of United Way of the Ocoee Region and affiliate have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to specific, donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

CASH AND CASH EQUIVALENTS: For purposes of reporting cash flows, the Organizations consider all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless the investments are held for meeting endowment restrictions.

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

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INVESTMENTS: The Organizations report investments in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities and changes in net assets. Investment income is recognized as revenue in the period it is earned, and gains and losses are recognized as changes in net assets in the period in which they occur.

Investments in equity securities with readily determinable fair values and all investments in debt securities are classified as available for sale and are reported at fair value based on quoted market prices. Net realized and unrealized gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless its use is restricted by explicit donor stipulations or law.

PLEDGES: Campaigns are conducted annually to raise support for the subsequent year. Pledges receivable at December 31, 2023 and 2022 are due within one year. Pledges receivable are recorded at net realizable value and recognized in the period received, with an allowance provided for estimated uncollectible amounts. The allowance for uncollectible pledges receivable represents an estimate of pledges receivable which may become uncollectible based upon historical collection experience and current conditions.

OTHER RECEIVABLE: Other receivables as of December 31, 2023 and 2022 represent amounts of \$23,094 and \$26,228 that have been billed for agency programs, but have not been collected as of the date of the financial statements. Other receivables are stated at the amount management expects to be collected from the outstanding balance. As of December 31, 2023 and 2022, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

PROPERTY AND EQUIPMENT: The Organizations capitalize all expenditures for property and equipment in excess of \$2,000. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

DONATED SERVICES AND IN-KIND CONTRIBUTIONS: Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide a variety of tasks that assist the Organizations with campaign solicitations and various committee assignments that are not recognized as contributions in the financial statements since the recognition criteria were not met. Contributed goods are recorded at fair value at the date of donation.

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

REVENUE RECOGNITION:

Revenue from Exchange Transactions: The Organizations recognize revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organizations record the following exchange transaction revenue in its statements of activities and changes in net assets for the years ending December 31, 2023 and 2022:

Special Fundraising Event Revenue – The Organizations conduct special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant of the event – the exchange component, and a portion represents contribution to the Organizations. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organizations. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Organizations, are recorded as event costs in the statement of functional expenses. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Organizations. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligation. Accordingly, the Organizations present in its notes to the financial statements the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Organization in advance of its delivery are initially recognized as liabilities (deferred revenue) and recognized as special event revenue after delivery of the event.

Public Support:

Contributions - The Organizations receive contributions to support operating activities. These contributions can be from individuals, foundations, corporations or trusts. The Organizations record contributions receivable, net of allowances for estimated uncollectible amounts, when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was received. Conditional gifts, with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor.

Government Grants and Contracts – The Organizations receive grant and contract funding from various federal, state and local governments to provide a variety of support for programs. Grant and government contract revenues are recognized as revenue when the conditions on which they depend are substantially met (for example, by incurring allowable costs or providing units of service). If there are no conditions, the grant revenue is recognized when the grantor informs the Organizations of its promise of the unconditional grant. Government grants and contracts receivable are recorded in grants receivable.

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

DONOR-IMPOSED RESTRICTIONS: All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as donor restricted support. Designated campaign contributions in which the Organizations retain variance power are recorded as revenue when received. Donors may designate their contributions to specific non-campaign activities. Donor designations to specific agencies in which the Organizations do not retain variance power are reduced from revenue to arrive at total revenues and other support in the accompanying statements of activities.

FUNCTIONAL ALLOCATION OF EXPENSES: The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel expenses are allocated based on estimates of time and effort. Other expenses are allocated based on usage.

INCOME TAX STATUS: The Organizations are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organizations' tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organizations qualify for the charitable deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organizations follow the requirements of professional literature in accounting for uncertain tax positions. Under this guidance, the Organizations must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. The Organizations do not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. For the year ended December 31, 2023, there were no interest or penalties recorded or included in the financial statements related to uncertain tax positions. Information returns for tax years 2020 and beyond remain subject to examinations.

FUND ACCOUNTING: The accounts of United Way of the Ocoee Region are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. In accordance with accounting standards, fund balances are classified on the Statement of Financial Position as net assets without donor restrictions and net assets with donor restrictions. The funds maintained by United Way of the Ocoee Region are as follows:

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FUND ACCOUNTING (continued):

*Overall Fund* – This fund is used to account for campaign pledges and allocations to member agencies.

*Operating Fund* – Accounts for assets and related depreciation and provides for the general operating expenses of the United Way of the Ocoee Region.

*Housing United Fund* – Rapid rehousing program whose goal is to prevent and end homelessness quickly by providing services to navigate the housing market, rental assistance, and eviction prevention, and long-term case management.

*Ocoee Connect Fund* – Local health and human services helpline to refer community members to the appropriate agencies according to their needs. Project Round Up revenues and expenses are reported in this fund. Project Round Up accounts for revenues from Cleveland Utilities, which are allocated to the Ocoee Connect program administered by United Way of the Ocoee Region and other local nonprofits to assist area families with utilities, housing, and other related needs.

*VISTA Fund* – United Way of the Ocoee Region serves as an AmeriCorps VISTA Cohort sponsor. The VISTA fund sponsors VISTA members in the community.

*Read United Fund* – Fund provides books purchased through the Imagination Library program to children age birth to five years old, Read20 program services and Little Libraries in the community.

*Long Term Recovery Fund* – Fund used to respond to local disasters to provide immediate relief and long-term recovery support.

*Women United Fund* – A United Way of the Ocoee Region affinity group that empowers women to study, discuss, and address local issues that are important to them.

*William Hall Rodgers Christmas Basket Fund* – This fund accounts for the William Hall Rodgers Christmas Basket revenue and expenses. The WHR was a separate nonprofit that dissolved and transferred all assets to the Organization during the year ended December 31, 2017. The fund provides boxes of food to the needy during the holidays.

*Bradley Memorial Endowment Fund* – The Bradley Memorial Health Endowment Fund provides funding to improve and enhance the healthcare, wellness and quality of life of the citizens of Bradley County, Tennessee.

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

DESIGNATION OF NET ASSETS WITHOUT DONOR RESTRICTIONS: The governing board has designated \$60,167 for the Ocoee Connect fund and \$42,882 for the Reading United fund as of December 31, 2023. There was \$67,893 for the Housing United fund and \$39,610 for the Reading United fund as of December 31, 2022.

RECENT ACCOUNTING GUIDANCE: During the year ended December 31, 2022, the Organizations have adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The presentation and disclosure of contributed nonfinancial assets have been enhanced in accordance with the standard. The adoption of the standard did not change the recognition and measurement requirements for contributed nonfinancial assets.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

*Concentrations Arising from Cash Deposits in Excess of Insured Limits:* The Organizations maintain their cash balances at several financial institutions located in Cleveland, Tennessee. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 at December 31, 2023 and 2022. The Organizations' uninsured cash balances totaled \$155,342 and \$162,566 as of December 31, 2023 and 2022, respectively.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The following reflects the Organizations' financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor or grantor-imposed restrictions within one year of the balance sheet date:

	2023		2022	
	United Way of the Ocoee Region	United Way of Bradley Co. Endowment Trust	United Way of the Ocoee Region	United Way of Bradley Co. Endowment Trust
Cash	\$ 629,415	\$ -	\$ 465,002	\$ -
Pledges receivable, net	807,207	-	844,908	-
Other receivable	23,094	-	26,228	-
Investments	874,420	-	774,550	-
Purpose donor restricted contributions	(597,162)	-	(559,711)	-
	\$ 1,736,974	\$ -	\$ 1,550,977	\$ -



UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 3 - LIQUIDITY AND AVAILABILITY (continued)

The Organizations' endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts for general use. Donor-restricted endowment funds are not available for general expenditure.

The Organizations receive significant revenues from contributions, pledges, grants and program fees which are ongoing and central to its annual operations to be available to meet cash needs for general expenditures. The Organizations have a policy to structure their financial assets to be available as their general expenditures, liabilities, and other obligations come due.

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable are due in one year, are reported at net realizable value, and consist of the following unconditional promises to give at December 31, 2023 and 2022:

	2023	2022
Allocation Year:	<u>United Way of the Ocoee Region</u>	<u>United Way of the Ocoee Region</u>
2022	\$ -	\$ 130,793
2023	72,943	786,115
2024	815,264	-
	888,207	916,908
Allowance for uncollectible pledges	(81,000)	(72,000)
	\$ 807,207	\$ 844,908

NOTE 5 - LAND, BUILDING AND EQUIPMENT

Land, buildings and equipment consist of the following major classifications:

	2023		2022	
	<u>United Way of the Ocoee Region</u>		<u>United Way of the Ocoee Region</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Land	\$ 38,493	\$ -	\$ 38,493	\$ -
Buildings	970,170	(634,725)	962,520	(598,767)
Furniture and equipment	133,164	(120,054)	133,164	(103,009)
	\$ 1,141,827	\$ (754,779)	\$ 1,134,177	\$ (701,776)

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

**NOTE 6 - RETIREMENT PLAN**

United Way of the Ocoee Region has a defined contribution pension plan covering all personnel. United Way of the Ocoee Region makes contributions equal to 10% of annual salary for full-time employees and 5% of annual salary for part-time employees. Employees are eligible to receive contributions when they have completed thirty days of service. Total pension expense for the year ended December 31, 2023 and 2022 was \$65,122 and \$60,123, respectively.

**NOTE 7 - INVESTMENTS**

Investments are measured at fair value in the statement of financial position based on quoted market price. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized. Investments consist of the following at December 31, 2023 and 2022:

	2023		
Cost	Fair Value	Unrealized Gain (Loss)	
United Way of the Ocoee Region:			
<b>Bradley Memorial Health Endowment</b>			
Brokerage Money Funds	\$ 479,130	\$ 479,130	\$ -
Government Funds	2,444,479	2,270,086	(174,393)
Mutual Funds	17,743,712	18,682,558	938,846
Partnerships	7,311	6,423	(888)
Equities	5,280,918	7,195,008	1,914,090
	\$ 25,955,550	\$ 28,633,205	\$ 2,677,655
United Way of the Ocoee Region:			
<b>Investments</b>			
Brokerage Money Funds	\$ 68,508	\$ 68,508	\$ -
Mutual Funds	795,150	805,912	10,762
	\$ 863,658	\$ 874,420	\$ 10,762
United Way Bradley Co. Endowment Trust			
Brokerage Money Funds	\$ 3,640	\$ 3,640	\$ -
Fixed Income	54,573	47,295	(7,278)
Alternatives	11,854	11,852	(2)
Equities	169,281	225,775	56,494
	\$ 239,348	\$ 288,562	\$ 49,214

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 7 – INVESTMENTS (continued)

	2022		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
United Way of the Ocoee Region:			
<b>Bradley Memorial Health Endowment</b>			
Brokerage Money Funds	\$ 497,186	\$ 497,186	\$ -
Government Funds	2,480,383	2,232,791	(247,592)
Mutual Funds	18,254,313	17,247,550	(1,006,763)
Partnerships	502,500	424,690	(77,810)
Equities	<u>5,257,450</u>	<u>6,328,644</u>	<u>1,071,194</u>
	<u>\$ 26,991,832</u>	<u>\$ 26,730,861</u>	<u>\$ (260,971)</u>

United Way of the Ocoee Region:

**Investments**

Brokerage Money Funds	\$ 54,549	\$ 54,549	\$ -
Mutual Funds	<u>790,642</u>	<u>720,001</u>	<u>(70,641)</u>
	<u>\$ 845,191</u>	<u>\$ 774,550</u>	<u>\$ (70,641)</u>

United Way Bradley Co. Endowment  
Trust

Brokerage Money Funds	\$ 16,747	\$ 16,747	\$ -
Fixed Income	49,699	41,502	(8,197)
Alternatives	6,800	6,457	(343)
Equities	<u>160,353</u>	<u>194,835</u>	<u>34,482</u>
	<u>\$ 233,599</u>	<u>\$ 259,541</u>	<u>\$ 25,942</u>

Investment return is summarized as follows:

	2023		2022	
	<u>United Way of the Ocoee Region</u>	<u>United Way of Bradley Co. Endowment Trust</u>	<u>United Way of the Ocoee Region</u>	<u>United Way of Bradley Co. Endowment Trust</u>
Interest and dividend income	\$ 701,553	\$ 7,793	\$ 890,837	\$ 7,190
Capital gains	88,366	-	190,426	-
Investment fees	(154,619)	(1,337)	(165,011)	(1,369)
Net realized gains (losses)	67,687	(706)	22,231	(1,434)
Net unrealized gains (losses)	<u>3,020,886</u>	<u>23,271</u>	<u>(6,342,137)</u>	<u>(32,369)</u>
Total investment return	<u>\$ 3,723,873</u>	<u>\$ 29,021</u>	<u>\$ (5,403,654)</u>	<u>\$ (27,982)</u>

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 8 – FAIR VALUE MEASUREMENTS

Certain assets and liabilities are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to measure fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

*Level 1* – Quoted prices for identical assets or liabilities in active markets.

*Level 2* – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or market corroborated inputs.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any 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.

A significant portion of investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. The US government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2.

Net asset value (NAV) per share, or its equivalent, is used as a practical expedient to estimate the fair values of limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

**NOTE 8 – FAIR VALUE MEASUREMENTS (continued)**

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured using NAV per share as a practical expedient as identified in the following at December 31, 2023 and 2022:

	2023				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
United Way of the Ocoee Region:					
<b>Bradley Memorial Health Endowment</b>					
Brokerage Money Funds	\$ 479,130	\$ -	\$ 479,130	\$ -	\$ -
Government Funds	2,270,086	-	2,270,086	-	-
Mutual Funds	18,682,558	18,682,558	-	-	-
Partnerships	6,423	-	-	-	6,423
Equities	7,195,008	7,195,008	-	-	-
	<u>\$ 28,633,205</u>	<u>\$25,877,566</u>	<u>\$ 2,749,216</u>	<u>\$ -</u>	<u>\$ 6,423</u>

United Way of the Ocoee Region:

**Investments**

Brokerage Money Funds	\$ 68,508	\$ -	\$ 68,508	\$ -	\$ -
Mutual Funds	805,912	805,912	-	-	-
	<u>\$ 874,420</u>	<u>\$ 805,912</u>	<u>\$ 68,508</u>	<u>\$ -</u>	<u>\$ -</u>

United Way Bradley Co. Endowment

Trust					
Brokerage Money Funds	\$ 3,640	\$ -	\$ 3,640	\$ -	\$ -
Fixed Income	47,295	47,295	-	-	-
Alternatives	11,852	11,852	-	-	-
Equities	225,775	225,775	-	-	-
	<u>\$ 288,562</u>	<u>\$ 284,922</u>	<u>\$ 3,640</u>	<u>\$ -</u>	<u>\$ -</u>

	2022				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
United Way of the Ocoee Region:					
<b>Bradley Memorial Health Endowment</b>					
Brokerage Money Funds	\$ 497,186	\$ -	\$ 497,186	\$ -	\$ -
Government Funds	2,232,791	-	2,232,791	-	-
Mutual Funds	17,247,550	17,247,550	-	-	-
Partnerships	424,690	-	-	-	424,690
Equities	6,328,644	6,328,644	-	-	-
	<u>\$ 26,730,861</u>	<u>\$23,576,194</u>	<u>\$ 2,729,977</u>	<u>\$ -</u>	<u>\$ 424,690</u>

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 8 – FAIR VALUE MEASUREMENTS (continued)

	2022				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
United Way of the Ocoee Region:					
<b>Investments</b>					
Brokerage Money Funds	\$ 54,549	\$ -	\$ 54,549	\$ -	\$ -
Mutual Funds	720,001	720,001	-	-	-
	<u>\$ 774,550</u>	<u>\$ 720,001</u>	<u>\$ 54,549</u>	<u>\$ -</u>	<u>\$ -</u>
United Way Bradley Co. Endowment					
Trust					
Brokerage Money Funds	\$ 16,747	\$ -	\$ 16,747	\$ -	\$ -
Fixed Income	41,502	41,502	-	-	-
Alternatives	6,457	6,457	-	-	-
Equities	194,835	194,835	-	-	-
	<u>\$ 259,541</u>	<u>\$ 242,794</u>	<u>\$ 16,747</u>	<u>\$ -</u>	<u>\$ -</u>

Investments in partnerships measured at fair value using NAV per share as a practical expedient represents one investment in a limited partnership unit, which is illiquid with no redemption notice period. These investments are not redeemable. Instead, distributions are received through the liquidation of the underlying assets of the fund. The terms of these investments range from one to two years.

NOTE 9 - ALLOCATIONS TO AGENCIES

The annual fundraising campaign is conducted to raise support to invest in community program services and strategic initiatives. Investment income from the Bradley Memorial Health Endowment provides support to invest in community program services that improve and enhance the healthcare, wellness and quality of life of the citizens of Bradley County. Annual allocations to agencies are approved based on an evaluation of funding requests from the various agencies, annual campaign revenues available, and Bradley Memorial Health Endowment allowed per the endowment spending policy. A liability and related expense are recorded based on approved allocations.

NOTE 10 - RESTRICTIONS ON ASSETS

Restrictions on net assets consist of the following as of December 31, 2023 and 2022:

*Allocations* - Campaign pledges made in the reporting year for the following year allocations are recorded as net assets with donor restrictions until the allocations are made or the end of the following year. The unallocated contributions for contingencies and operating funds for the following year remain as net assets with donor restrictions. These amounts will be reclassified to net assets without donor restrictions when disbursed or at the end of the following year, whichever occurs first.

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 10 - RESTRICTIONS ON ASSETS (continued)

*Ocoee Connect Fund* – Local health and human services helpline to refer community members to the appropriate agencies according to their needs. The fund includes restricted funds received for Project Round Up. These restrictions are considered to expire when payments are made.

*VISTA* - Contributions and program income received for the VISTA program are restricted for VISTA program expenses. These restrictions are considered to expire when payments are made.

*Read United* - Contributions received for the Read United program are restricted for Imagination Library, Read20, or Little Libraries. These restrictions are considered to expire when payments are made.

*Long Term Recovery* - Funds received from Long Term Recovery Organization, a nonprofit which closed during 2016 are restricted for disaster relief in Bradley County, Tennessee. These restrictions are considered to expire when payments are made.

*William Hall Rogers Christmas Basket* - Funds received from the William Hall Rogers Christmas Basket, plus contributions received are restricted for program services which provides boxes of food to the needy during the holidays.

*Women United* - Contributions received for the Women United program are restricted for program services related to empowering women and supporting community projects. The restrictions are considered to expire when payments are made.

*Contributions/Grants* – Funds received for specified donor purposes for Chattanooga Gas, Kindness Fund, Child Care Grant, and Mott Grant. The restrictions are considered to expire when payments are made.

*Bradley Memorial Health Endowment* - Funds received from the sale of Bradley Memorial Hospital and 15% of annual net income are maintained in perpetuity. Remaining annual net income is restricted for disbursements to improve and enhance the healthcare, wellness and quality of life of the citizens of Bradley County.

*United Way Endowment Trust* - Contributions to the Endowment Trust are part of the perpetual Charitable Trust and are maintained in perpetuity. These contributions can be disbursed when a specific gift allows the trustees to distribute the principal portion of the gift for a specified purpose. Also, in the event of an emergency or disaster the principal can be distributed if two-thirds of the trustees vote to transfer the assets. All interest and dividends are restricted for transfer to the United Way of the Ocoee Region.

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

**NOTE 10 - RESTRICTIONS ON ASSETS (continued)**

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
<b>United Way of the Ocoee Region</b>		
Subject to expire for specified purpose:		
Long-Term Recovery	\$ 41,528	\$ 41,528
WHR Christmas	31,751	49,133
Women United	93,098	109,279
Campaign allocations	200,997	132,715
Project Round Up/Ocoee Connect	166,756	157,265
Kindness Fund	33,073	28,693
Chattanooga Gas	29,589	24,328
Child Care	-	16,400
Mott Grant	370	370
	<u>597,162</u>	<u>559,711</u>
Endowments:		
Subject to NFP endowment spending policy and appropriation:		
Investment in perpetuity, which once appropriated, is expendable to support:		
Bradley Health Endowment programs	<u>28,256,882</u>	<u>26,107,584</u>
	<u>\$ 28,854,044</u>	<u>\$ 26,667,295</u>
 <b>United Way of Bradley Co. Endowment Trust</b>		
Endowments:		
Subject to NFP endowment spending policy and appropriation:		
Investment in perpetuity, which once appropriated, is expendable to support:		
Activities of United Way of the Ocoee Region	<u>\$ 288,562</u>	<u>\$ 259,541</u>



UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 10 - RESTRICTIONS ON ASSETS (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows:

	<u>2023</u>	<u>2022</u>
<b>United Way of the Ocoee Region</b>		
Purpose restrictions accomplished:		
Eyeglass services	\$ -	\$ 788
Read United	60,860	53,737
Long-Term Recovery	-	-
Young Professionals	-	3,293
WHR Christmas	65,597	39,062
Women United	192,069	206,109
VISTA program	159,914	113,829
Campaign allocations	197,973	-
Bradley Memorial Health Endowment	522,314	410,974
Project Round Up/Ocoee Connect	179,781	256,308
Housing United	6,473	-
Ocoee Connect	10,000	-
Kindness Fund	10,120	62,424
ARP Grant	-	100,000
Chattanooga Gas	4,739	2,761
Child Care	16,400	-
Mott Grant	-	464
	<u>1,426,240</u>	<u>1,249,749</u>
Time restrictions expired:		
Bradley Memorial Health Endowment allocations	949,084	1,298,949
Campaign allocations	858,915	1,182,143
	<u>1,807,999</u>	<u>2,481,092</u>
Total restrictions released	<u>\$ 3,234,239</u>	<u>\$ 3,730,841</u>

NOTE 11 - ENDOWMENT

The Organizations' endowment consists of two funds, the Bradley Memorial Health Endowment and the United Way Endowment Trust. The endowment funds include only donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 11 - ENDOWMENT (continued)

The Organizations are subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors of the Organizations has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organizations consider a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organizations have interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Organizations consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organizations, and (7) the Organizations' investment policies.

Bradley Memorial Health Endowment – The endowment was established to fund local non-profits and United Way of the Ocoee Region community projects to improve and enhance the healthcare, wellness and quality of life of the citizens of Bradley County. All gifts to the Bradley Memorial Health Endowment require the appreciation/depreciation of endowment funds and 15% of net income/(loss) to be maintained in perpetuity. The remaining portion of the Bradley Memorial Health Endowment is restricted until those amounts are appropriated for expenditure by the Organizations in a manner consistent with the standard of prudence prescribed by SPMIFA.

United Way Endowment Trust – The endowment was established to provide a perpetual endowment fund for United Way of the Ocoee Region. The United Way Endowment Trust can be expended upon 2/3 vote of the board of directors. It is the intent of the board of directors to use only the earnings of the United Way Endowment Trust for transfer to the United Way of the Ocoee Region and leave the corpus intact in perpetuity. The remaining portion of the United Way Endowment Trust that restricted until those amounts are appropriated for expenditure by the Organizations in a manner consistent with the standard of prudence prescribed by SPMIFA.

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 11 - ENDOWMENT (continued)

Endowment net asset composition by type of fund as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
	<u>With Donor</u>	<u>With Donor</u>
	<u>Restrictions</u>	<u>Restrictions</u>
<b>United Way of the Ocoee Region</b>		
Donor-restricted endowment funds		
Original donor-restricted gift amount and amounts to be maintained in perpetuity by donor	\$ 20,256,623	\$ 20,256,623
15% of annual net income/loss to maintained in perpetuity	2,533,830	2,509,867
Accumulated investment gains (losses)	<u>5,466,429</u>	<u>3,341,094</u>
	<u>\$ 28,256,882</u>	<u>\$ 26,107,584</u>

**United Way of Bradley Co. Endowment Trust**

Donor-restricted endowment funds		
Original donor-restricted gift amount and amounts to be maintained in perpetuity by donor	\$ 151,550	\$ 151,550
Accumulated investment gains (losses)	<u>137,012</u>	<u>107,991</u>
	<u>\$ 288,562</u>	<u>\$ 259,541</u>

Changes in endowment net assets for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
	<u>With Donor</u>	<u>With Donor</u>
	<u>Restrictions</u>	<u>Restrictions</u>
<b>United Way of the Ocoee Region</b>		
Endowment net assets, beginning of year	\$ 26,107,584	\$ 33,097,790
Investment return, net	3,620,696	(5,252,641)
Appropriation of endowment assets for expenditure	<u>(1,471,398)</u>	<u>(1,737,565)</u>
	<u>\$ 28,256,882</u>	<u>\$ 26,107,584</u>
<b>United Way of Bradley Co. Endowment Trust</b>		
Endowment net assets, beginning of year	\$ 259,541	\$ 287,523
Contributions	-	-
Investment return, net	<u>29,021</u>	<u>(27,982)</u>
	<u>\$ 288,562</u>	<u>\$ 259,541</u>

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 11 - ENDOWMENT (continued)

*Investment Return Objectives, Risk Parameters and Strategies Employed for Achieving Objectives*

The Organizations have adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term.

Bradley Memorial Health Endowment – The investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution up to 5% of the average value of the fund for the previous five years, provided the cumulative disbursements of the fund remain below 85% of the cumulative earnings of the fund since inception. Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return to exceed 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed not to expose the fund to unacceptable levels of risk.

United Way Endowment Trust – Endowment assets are invested in a well-diversified mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return.

*Spending Policy*

Bradley Memorial Health Endowment – The Organization has a policy of appropriating for distribution up to 5% of the average value of the fund for the previous five years, provided the cumulative disbursements of the fund remain below 85% of the cumulative earnings of the fund since inception. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the endowment funds, which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal average of 5% annually. The Organization has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

United Way Endowment Trust – The Organization can transfer interest and dividend earnings to United Way of the Ocoee Region. There have been no transfers from the trust since its origination.

UNITED WAY OF THE OCOEE REGION & AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023 and 2022

NOTE 12 - ALLOCATIONS PAYABLE

Allocations payable are reported at net realizable value if, at the time the promise is made, the Organization expects to make the payment in one year or less. Allocations payable at December 31, 2023 and 2022 of \$885,096 and \$980,402, respectively, are expected to be paid within one year.

NOTE 13 - DONATED PROFESSIONAL SERVICES AND MATERIALS

In-kind support recognized within the statement of activities included:

	<u>2023</u>	<u>2022</u>
Advertising	\$ 2,083	\$ 7,310
Supplies	<u>516</u>	<u>3,761</u>
	<u>\$ 2,599</u>	<u>\$ 11,071</u>

The Organizations recognize in-kind support within revenue, including contributed supplies and advertising. Unless otherwise noted, in-kind support did not have donor restrictions.

The contributed supplies were utilized for program services. The supplies are valued by the Organizations based on estimated fair market value for purchasing similar products.

The contributed advertising was utilized through advertising campaigns of United Way Worldwide. The advertising is valued based on annual airtime value provided annually by United Way Worldwide.

NOTE 14 – SPECIAL EVENT REVENUE

Gross receipts from special fundraising events recorded by the Organizations consist of exchange transaction revenue and contribution revenue. Special event revenue consists of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Contributions	\$ 123,788	\$ 89,152
Special event revenue	<u>52,100</u>	<u>45,575</u>
Special fundraising events - gross	<u>\$ 175,888</u>	<u>\$ 134,727</u>

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events were evaluated through July 10, 2024, which is the date the financial statements were available to be issued.

SUPPLEMENTARY FINANCIAL INFORMATION

UNITED WAY OF THE OCOEE REGION  
SCHEDULE OF ALLOCATIONS TO MEMBER AGENCIES  
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
United Way Member Agencies		
Boys & Girls Club of Cleveland	\$ 250,000	\$ 263,520
Big Brothers/Sisters Boys & Girls Club	1,831	20,000
Court Appointed Special Advocate	32,403	40,000
City Fields	162,500	162,402
Family Promise	-	35,000
Family Cornerstone	-	(9,000)
Family Violence Shelter	38,218	80,000
Junior Achievement	3,200	-
Legal Aid of East TN	58,871	60,000
Walter E Boehm Birth Defects Center	11,000	-
Ocoee Outreach	-	(128)
Polk County Aid	14,000	10,000
Project Round Up	181,951	254,701
YCAP YMCA Metro Chattanooga	118,000	47,000
Total United Way Member Agencies	<u>871,974</u>	<u>963,495</u>
Bradley Memorial Health Endowment Agencies		
Boys & Girls Club of Cleveland	-	66,000
Bradley Cleveland Public Education Foundation	68,000	19,624
CenterStone	16,000	15,991
Cleveland Lions Club	11,500	11,500
Family Promise	35,000	-
Foundation House	-	32,395
FRA - Family Violence	35,229	40,000
Girls on the Run	-	7,000
Habitat for Humanity	50,000	50,000
Karis Dental Clinic	410,000	390,000
Lee University	12,655	18,304
Living Water Missions International	12,000	-
LUDIC	30,000	45,000
Medical Foundation of Chattanooga	7,500	-
New Hope Pregnancy Center	10,000	9,867
Ocoee Outreach	20,000	20,000
On Point	20,000	6,367
Orphanwise	10,000	10,000
Speech & Hearing Center	-	10,000
The Caring Place	130,000	144,989
The Health Opportunity Protection & Encouragement Center	40,000	40,000
Housing United The Caring Place Case Manager	33,031	30,478
Walter E Boehm Birth Defects Center	-	10,000
Woodsong Forest Education Foundation	30,000	28,000
YMCA	-	58,000
Total Bradley Memorial Health Endowment Agencies	<u>980,915</u>	<u>1,063,515</u>
Total Allocations	<u>\$ 1,852,889</u>	<u>\$ 2,027,010</u>

