

UNITED WAY OF THE OCOEE REGION & AFFILIATE

FINANCIAL STATEMENTS

December 31, 2021 and 2020

UNITED WAY OF THE OCOEE REGION & AFFILIATE

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December 31, 2021 and 2020

FINANCIAL STATEMENTS

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S 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, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, 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, 2021 and 2020 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 United Way of the Ocoee Region and affiliate 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 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 United Way of the Ocoee Region'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 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 consolidated 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 consolidated 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 the Ocoee Region '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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of the Ocoee Region'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 29 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.

Martiny, Bishop + Arrendale, PLLC
Cleveland, Tennessee
June 28, 2022

UNITED WAY OF THE OCOEE REGION & AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	2021			2020		
	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
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 857,049	\$ -	\$ 857,049	\$ 712,868	\$ -	\$ 712,868
Receivables						
Pledges, net of the allowance for uncollectible accounts of \$73,000 and \$78,000 for 2021 and 2020, respectively	628,864	-	628,864	659,065	-	659,065
Loan receivable, current	-	-	-	4,677	-	4,677
Other receivable	24,425	-	24,425	22,411	-	22,411
Prepaid expenses	-	-	-	10,973	-	10,973
Investments	925,645	287,523	1,213,168	855,179	245,153	1,100,332
Investments, Bradley Memorial Endowment	<u>33,537,548</u>	<u>-</u>	<u>33,537,548</u>	<u>31,880,687</u>	<u>-</u>	<u>31,880,687</u>
Total Current Assets	35,973,531	287,523	36,261,054	34,145,860	245,153	34,391,013
Property and Equipment						
Land, buildings and equipment, net of depreciation	<u>466,699</u>	<u>-</u>	<u>466,699</u>	<u>464,115</u>	<u>-</u>	<u>464,115</u>
TOTAL ASSETS	<u>\$ 36,440,230</u>	<u>\$ 287,523</u>	<u>\$ 36,727,753</u>	<u>\$ 34,609,975</u>	<u>\$ 245,153</u>	<u>\$ 34,855,128</u>
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable	\$ 39,595	\$ -	\$ 39,595	\$ 19,474	\$ -	\$ 19,474
Designations payable	159,450	-	159,450	-	-	-
Allocations payable	<u>808,170</u>	<u>-</u>	<u>808,170</u>	<u>1,101,933</u>	<u>-</u>	<u>1,101,933</u>
Total Current Liabilities	<u>1,007,215</u>	<u>-</u>	<u>1,007,215</u>	<u>1,121,407</u>	<u>-</u>	<u>1,121,407</u>
Net Assets						
Without donor restrictions						
Undesignated	1,421,370	-	1,421,370	1,500,287	-	1,500,287
Designated	45,924	-	45,924	147,146	-	147,146
With donor restrictions	<u>33,965,721</u>	<u>287,523</u>	<u>34,253,244</u>	<u>31,841,135</u>	<u>245,153</u>	<u>32,086,288</u>
Total Net Assets	<u>35,433,015</u>	<u>287,523</u>	<u>35,720,538</u>	<u>33,488,568</u>	<u>245,153</u>	<u>33,733,721</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 36,440,230</u>	<u>\$ 287,523</u>	<u>\$ 36,727,753</u>	<u>\$ 34,609,975</u>	<u>\$ 245,153</u>	<u>\$ 34,855,128</u>

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, 2021 and 2020

	2021			2020		
	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
WITHOUT DONOR RESTRICTIONS						
PUBLIC SUPPORT AND REVENUE						
Donations	\$ 2,500	\$ -	\$ 2,500	\$ 10,000	\$ -	\$ 10,000
In-Kind revenue	36,333	-	36,333	27,180	-	27,180
Paycheck Protection Program grant revenue	136,640	-	136,640	136,639	-	136,639
OTHER REVENUE						
Investment return	70,570	-	70,570	81,551	-	81,551
Development income	21,425	-	21,425	19,228	-	19,228
Other income	6,909	-	6,909	8,874	-	8,874
	<u>274,377</u>	<u>-</u>	<u>274,377</u>	<u>283,472</u>	<u>-</u>	<u>283,472</u>
Net assets released from restrictions						
Restriction satisfied by allocation payable	1,478,284	-	1,478,284	1,389,769	-	1,389,769
Restriction satisfied by expiration of time	470,805	-	470,805	444,844	-	444,844
Restriction satisfied by payment	993,462	-	993,462	1,618,354	-	1,618,354
	<u>2,942,551</u>	<u>-</u>	<u>2,942,551</u>	<u>3,452,967</u>	<u>-</u>	<u>3,452,967</u>
Total Revenues and Support	<u>3,216,928</u>	<u>-</u>	<u>3,216,928</u>	<u>3,736,439</u>	<u>-</u>	<u>3,736,439</u>
Expenses						
Program services:						
Allocations and grants	1,360,681	-	1,360,681	1,575,312	-	1,575,312
Housing United	171,499	-	171,499	58,984	-	58,984
Ocoee Connect	53,993	-	53,993	-	-	-
VISTA	307,512	-	307,512	362,503	-	362,503
Read United	99,264	-	99,264	110,557	-	110,557
WHR Christmas	36,742	-	36,742	65,177	-	65,177
Women United	62,246	-	62,246	19,324	-	19,324
Bradley Memorial Health Endowment	417,983	-	417,983	230,113	-	230,113
Community services	508,584	-	508,584	589,394	-	589,394
Support services:						
Management and general	126,177	-	126,177	135,281	-	135,281
Fundraising	212,986	-	212,986	245,232	-	245,232
Unallocated payments to national organization	39,400	-	39,400	38,344	-	38,344
Total Expenses	<u>3,397,067</u>	<u>-</u>	<u>3,397,067</u>	<u>3,430,221</u>	<u>-</u>	<u>3,430,221</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>(180,139)</u>	<u>-</u>	<u>(180,139)</u>	<u>306,218</u>	<u>-</u>	<u>306,218</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, 2021 and 2020
(Continued from previous page.)

	2021			2020		
	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
WITH DONOR RESTRICTIONS						
PUBLIC SUPPORT AND REVENUE						
Campaign contributions	\$ 1,176,826	\$ -	\$ 1,176,826	\$ 1,177,421	\$ -	\$ 1,177,421
Less uncollectible contributions	(110,258)	-	(110,258)	(88,013)	-	(88,013)
Project Round Up	240,175	-	240,175	248,997	-	248,997
Community Projects contributions	63,708	-	63,708	90,929	-	90,929
Read United	55,390	-	55,390	51,281	-	51,281
LTRO contributions	-	-	-	12,228	-	12,228
TN CARES Grant	-	-	-	277,845	-	277,845
WHR Christmas	30,987	-	30,987	32,001	-	32,001
Women United	171,139	-	171,139	33,500	-	33,500
Women United Donor-Designated Contributions	(159,450)	-	(159,450)	-	-	-
VISTA Grant	266,523	-	266,523	302,795	-	302,795
OTHER REVENUE						
VISTA support	44,204	-	44,204	43,987	-	43,987
Investment return	35	42,370	42,405	54	17,836	17,890
Investment return, Bradley Memorial Health Endowment	3,287,858	-	3,287,858	3,753,774	-	3,753,774
Net assets released from restrictions:						
Restriction satisfied by allocation payable	(1,478,284)	-	(1,478,284)	(1,389,769)	-	(1,389,769)
Restriction satisfied by expiration of time	(470,805)	-	(470,805)	(444,844)	-	(444,844)
Restriction satisfied by payment	(993,462)	-	(993,462)	(1,618,354)	-	(1,618,354)
Increase in Net Assets With Donor Restrictions	2,124,586	42,370	2,166,956	2,483,832	17,836	2,501,668
Increase in Net Assets	1,944,447	42,370	1,986,817	2,790,050	17,836	2,807,886
Net Assets, beginning of year	33,488,568	245,153	33,733,721	30,698,518	227,317	30,925,835
Net Assets, end of year	\$ 35,433,015	\$ 287,523	\$ 35,720,538	\$ 33,488,568	\$ 245,153	\$ 33,733,721

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, 2021

	Program Services							Support Services				Total
	Allocations and Grants	Housing United	Ocoee Connect	VISTA	Read United	WHR Christmas	Women United	Bradley Memorial Health Endowment	Community Services	Management and General	Fund-Raising	
Allocations - United Way agencies	\$ 265,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,598
Allocations - Project Round Up	223,216	-	-	-	-	-	-	-	-	-	-	223,216
Allocations - Bradley Memorial Endowment	871,867	-	-	-	-	-	-	-	-	-	-	871,867
	<u>1,360,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,360,681</u>
Personnel Expenses:												
Salaries	-	37,670	38,856	256,391	5,498	8,318	25,043	104,404	181,868	61,835	120,033	839,916
Payroll taxes	-	2,276	2,232	5,023	247	462	1,772	6,155	12,188	4,144	8,044	42,543
Employee benefits	-	6,611	4,801	12,031	959	1,453	3,372	16,868	31,061	10,478	20,340	107,974
	<u>-</u>	<u>46,557</u>	<u>45,889</u>	<u>273,445</u>	<u>6,704</u>	<u>10,233</u>	<u>30,187</u>	<u>127,427</u>	<u>225,117</u>	<u>76,457</u>	<u>148,417</u>	<u>990,433</u>
Other Expenses:												
Professional fees	-	-	-	1,083	-	-	-	5,723	4,577	12,197	3,021	26,601
Contract labor	-	-	-	29,625	-	-	-	-	-	-	-	29,625
Information technology	-	1,958	2,696	-	-	-	-	9,200	9,389	7,701	3,992	34,936
Supplies	-	494	601	51	-	-	21	1,233	1,900	2,809	6,717	13,826
Development expense	-	496	-	1,840	324	-	1,431	900	9,600	1,296	8,473	24,360
Advertising	-	-	-	-	-	-	-	-	20,390	-	6,796	27,186
Telephone	-	1,670	1,110	-	-	-	-	1,920	1,919	1,920	1,920	10,459
Postage	-	-	184	-	456	-	184	-	-	381	1,109	2,314
Insurance	-	749	749	-	-	-	-	2,125	2,125	2,125	2,125	9,998
Occupancy	-	1,329	1,329	-	-	-	-	3,767	7,499	3,767	3,767	21,458
Repairs and maintenance	-	769	769	-	-	-	-	2,180	2,180	2,180	2,180	10,258
Printing and photography	-	-	-	-	-	-	143	-	2,500	273	1,324	4,240
Dues and subscriptions	-	39	39	-	-	-	-	895	1,859	2,911	895	6,638
Travel	-	333	-	552	-	-	-	42	423	115	869	2,334
Conferences and meetings	-	258	228	410	-	-	-	647	2,113	1,284	790	5,730
Program expenses	-	116,847	399	506	91,780	26,509	30,280	251,000	200,814	384	9,483	728,002
Miscellaneous	-	-	-	-	-	-	-	274	1,917	458	229	2,878
Depreciation	-	-	-	-	-	-	-	10,650	14,262	9,919	10,879	45,710
	<u>-</u>	<u>124,942</u>	<u>8,104</u>	<u>34,067</u>	<u>92,560</u>	<u>26,509</u>	<u>32,059</u>	<u>290,556</u>	<u>283,467</u>	<u>49,720</u>	<u>64,569</u>	<u>1,006,553</u>
	<u>\$ 1,360,681</u>	<u>\$ 171,499</u>	<u>\$ 53,993</u>	<u>\$ 307,512</u>	<u>\$ 99,264</u>	<u>\$ 36,742</u>	<u>\$ 62,246</u>	<u>\$ 417,983</u>	<u>\$ 508,584</u>	<u>\$ 126,177</u>	<u>\$ 212,986</u>	<u>\$ 3,357,667</u>

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, 2020

	Program Services						Support Services				Total
	Allocations and Grants	Housing United	VISTA	Read United	WHR Christmas	Women United	Bradley Memorial Health Endowment	Community Services	Management and General	Fund-Raising	
Allocations - United Way agencies	\$ 568,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 568,757
Allocations - Project Round Up	157,089	-	-	-	-	-	-	-	-	-	157,089
Allocations - Bradley Memorial Endowment	849,466	-	-	-	-	-	-	-	-	-	849,466
	<u>1,575,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,575,312</u>
Personnel Expenses:											
Salaries	-	26,166	286,767	8,862	18,716	14,358	106,234	211,824	72,020	139,804	884,751
Payroll taxes	-	1,884	6,309	485	1,166	1,045	7,066	11,461	3,897	7,564	40,877
Employee benefits	-	4,516	19,862	1,777	3,359	2,261	20,464	37,194	13,629	25,864	128,926
	<u>-</u>	<u>32,566</u>	<u>312,938</u>	<u>11,124</u>	<u>23,241</u>	<u>17,664</u>	<u>133,764</u>	<u>260,479</u>	<u>89,546</u>	<u>173,232</u>	<u>1,054,554</u>
Other Expenses:											
Professional fees	-	-	2,545	-	-	-	6,067	4,791	11,519	2,722	27,644
Contract labor	-	-	44,828	-	-	-	-	1,080	-	-	45,908
Information technology	-	-	-	-	-	-	10,543	11,058	8,969	20,025	50,595
Supplies	-	22	78	257	196	-	1,906	2,060	1,643	5,047	11,209
Development expense	-	-	1,456	266	-	200	6,332	7,947	503	11,132	27,836
Advertising	-	-	-	-	-	-	-	18,117	-	6,039	24,156
Telephone	-	1,438	-	-	-	-	2,258	2,375	2,258	2,258	10,587
Postage	-	-	-	522	-	-	136	977	810	806	3,251
Insurance	-	-	-	-	-	-	2,879	2,879	2,879	2,879	11,516
Occupancy	-	-	-	-	-	-	4,862	9,259	4,862	4,862	23,845
Repairs and maintenance	-	-	-	-	-	-	1,516	2,165	1,516	2,165	7,362
Printing and photography	-	-	-	-	226	-	-	-	-	1,573	1,799
Dues and subscriptions	-	-	-	-	-	-	408	2,922	408	408	4,146
Travel	-	79	274	-	-	-	113	167	91	264	988
Conferences and meetings	-	-	249	-	-	460	249	764	249	262	2,233
Program expenses	-	24,879	135	98,388	41,514	1,000	48,131	247,810	-	-	461,857
Miscellaneous	-	-	-	-	-	-	631	728	418	1,019	2,796
Depreciation	-	-	-	-	-	-	10,318	13,816	9,610	10,539	44,283
	<u>-</u>	<u>26,418</u>	<u>49,565</u>	<u>99,433</u>	<u>41,936</u>	<u>1,660</u>	<u>96,349</u>	<u>328,915</u>	<u>45,735</u>	<u>72,000</u>	<u>762,011</u>
	<u>\$ 1,575,312</u>	<u>\$ 58,984</u>	<u>\$ 362,503</u>	<u>\$ 110,557</u>	<u>\$ 65,177</u>	<u>\$ 19,324</u>	<u>\$ 230,113</u>	<u>\$ 589,394</u>	<u>\$ 135,281</u>	<u>\$ 245,232</u>	<u>\$ 3,391,877</u>

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, 2021 and 2020

	2021			2020		
	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 in net assets	\$ 1,944,447	\$ 42,370	\$ 1,986,817	\$ 2,790,050	\$ 17,836	\$ 2,807,886
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:						
Realized (gain) loss on investments, net	(2,998,156)	(662)	(2,998,818)	(589,460)	(1,646)	(591,106)
Unrealized (gain) loss on investments, net	625,602	(34,389)	591,213	(2,570,544)	(18,829)	(2,589,373)
Depreciation	45,710	-	45,710	44,283	-	44,283
Changes in operating assets and liabilities:						
Pledges receivable	30,201	-	30,201	188,365	-	188,365
Other receivable	(2,014)	-	(2,014)	(21,181)	-	(21,181)
Loan receivable	4,677	-	4,677	6,237	-	6,237
Prepaid expenses	10,973	-	10,973	(10,973)	-	(10,973)
Accounts payable	20,121	-	20,121	(34,219)	-	(34,219)
Designations payable	159,450	-	159,450	-	-	-
Allocations payable	(293,763)	-	(293,763)	(221,466)	-	(221,466)
Net Cash Provided (Used) by Operating Activities	<u>(452,752)</u>	<u>7,319</u>	<u>(445,433)</u>	<u>(418,908)</u>	<u>(2,639)</u>	<u>(421,547)</u>
Cash Flows From Investing Activities						
Purchase of property and equipment	(48,296)	-	(48,296)	-	-	-
Purchase of investments	(14,575,055)	(9,944)	(14,584,999)	(13,326,842)	(39,833)	(13,366,675)
Proceeds from sale of investments	<u>15,220,284</u>	<u>2,625</u>	<u>15,222,909</u>	<u>14,141,956</u>	<u>42,472</u>	<u>14,184,428</u>
Net Cash Provided (Used) by Investing Activities	<u>596,933</u>	<u>(7,319)</u>	<u>589,614</u>	<u>815,114</u>	<u>2,639</u>	<u>817,753</u>
Increase in Cash	144,181	-	144,181	396,206	-	396,206
Cash, beginning of year	<u>712,868</u>	<u>-</u>	<u>712,868</u>	<u>316,662</u>	<u>-</u>	<u>316,662</u>
Cash, end of year	<u>\$ 857,049</u>	<u>\$ -</u>	<u>\$ 857,049</u>	<u>\$ 712,868</u>	<u>\$ -</u>	<u>\$ 712,868</u>
SUPPLEMENTAL DISCLOSURE:						
Interest paid during the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2021 and 2020

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, 2021 and 2020.

BASIS OF ACCOUNTING: The financial statements of United Way of the Ocoee Region and affiliate have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

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.

INVESTMENTS: The Organizations carry investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Net investment return/(loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

REVENUE AND REVENUE RECOGNITION: Revenue is recognized when earned. Revenues from program services are recognized when the services are provided. All services are transferred at a point in time. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

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.

PLEDGES: Campaigns are conducted annually to raise support for the subsequent year. Pledges receivable at December 31, 2021 and 2020 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, 2021 and 2020 represent amounts of \$24,425 and \$22,411 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, 2021 and 2020, 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 ASSETS: Donated marketable securities are recorded as contributions at their estimated fair values at the date of donation.

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

TAX EXEMPTION: The Organizations are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Service Code. However, income from certain activities not directly related to the Organizations' 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 have been classified as organizations other than a private foundation under Section 509(a)(2).

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:

Overall Fund – This fund is used to account for campaign pledges, allocations to member agencies and Project Round Up in 2020. 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.

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FUND ACCOUNTING (continued):

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

Eyeglass Fund – Supports eye health assistance projects.

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 for the year ended December 31, 2021.

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.

DESIGNATION OF NET ASSETS WITHOUT DONOR RESTRICTIONS: The governing board has designated \$45,924 as of December 31, 2021 for the Housing United fund. There was \$147,146 designated to the fund as of December 31, 2020.

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

RECENT ACCOUNTING GUIDANCE: During the year ended December 31, 2020, the Organizations have adopted Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement Disclosure Framework*, which eliminates, adds, and modifies certain disclosure requirements for fair value measurements. The Organizations adopted the ASU as of the effective date January 1, 2020. The adoption of the standard did not have a material impact on the Organizations financial statements or disclosures.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

Concentrations of Pledge Receivables: Concentrations of credit risk with respect to pledges receivable are limited due to the large number of contributors comprising the Organizations' contributor base and their dispersion across different industries.

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, 2021 and 2020. The Organizations' uninsured cash balances totaled \$269,292 and \$210,807 as of December 31, 2021 and 2020, 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:

	2021		2020	
	United Way of the <u>Ocoee Region</u>	United Way of Bradley Co. Endowment <u>Trust</u>	United Way of the <u>Ocoee Region</u>	United Way of Bradley Co. Endowment <u>Trust</u>
Cash	\$ 857,049	\$ -	\$ 712,868	\$ -
Pledges receivable, net	628,864	-	659,065	-
Other receivable	24,425	-	22,411	-
Investments	925,645	7,981	855,179	1,367
Purpose donor restricted contributions	(867,931)	-	(514,385)	-
	\$ 1,568,052	\$ 7,981	\$ 1,735,138	\$ 1,367

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

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, 2021 and 2020:

Allocation Year:	2021 United Way of the <u>Ocoee Region</u>	2020 United Way of the <u>Ocoee Region</u>
2020	\$ -	\$ 120,783
2021	88,871	616,282
2022	<u>612,993</u>	<u>-</u>
	701,864	737,065
Allowance for uncollectible pledges	<u>(73,000)</u>	<u>(78,000)</u>
	<u>\$ 628,864</u>	<u>\$ 659,065</u>

NOTE 5 - LAND, BUILDING AND EQUIPMENT

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

	2021 United Way of <u>the Ocoee Region</u>		2020 United Way of <u>the Ocoee Region</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Land	\$ 38,493	\$ -	\$ 38,493	\$ -
Buildings	947,928	(564,430)	945,728	(530,442)
Furniture and equipment	<u>130,569</u>	<u>(85,861)</u>	<u>84,474</u>	<u>(74,138)</u>
	<u>\$ 1,116,990</u>	<u>\$ (650,291)</u>	<u>\$ 1,068,695</u>	<u>\$ (604,580)</u>

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

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 two years of service. Total pension expense for the year ended December 31, 2021 and 2020 was \$54,946 and \$57,125, respectively.

NOTE 7 - CONTINGENT LIABILITY

The United Way of the Ocoee Region is self-insured for unemployment compensation. The contingent liability for claims which might be paid in future years is not determinable. An unemployment reserve has been established for United Way agencies who elect to participate in the program. Each participating member agency reimburses the reserve for their previous years' claims. The United Way of the Ocoee Region is responsible for the administration of this fund totaling \$18,530 and \$18,526 as of December 31, 2021 and 2020, respectively.

NOTE 8 - 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, 2021 and 2020:

	<u>2021</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
United Way of the Ocoee Region:			
Bradley Memorial Health Endowment			
Brokerage Money Funds	\$ 563,305	\$ 563,305	\$ -
US Government Agencies	2,649,164	2,659,449	10,285
Mortgage and Asset Backed Securities	1,415,275	1,464,306	49,031
Common Equity Securities	5,607,744	8,372,046	2,764,302
Exchange Traded Funds	2,498,750	3,819,524	1,320,774
Partnerships	502,500	595,107	92,607
Fixed Income Mutual Funds	5,098,618	5,103,959	5,341
Equity Mutual Funds	9,283,477	10,959,852	1,676,375
	<u>\$ 27,618,833</u>	<u>\$ 33,537,548</u>	<u>\$ 5,918,715</u>

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 8 – INVESTMENTS (continued)

	2021		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
United Way of the Ocoee Region:			
Investments			
Brokerage Money Funds	\$ 42,544	\$ 42,544	\$ -
Common Equity Securities	59,327	75,364	16,037
Exchange Traded Funds	10,382	10,867	485
Fixed Income Mutual Funds	371,336	377,381	6,045
Equity Mutual Funds	349,786	419,489	69,703
	<u>\$ 833,375</u>	<u>\$ 925,645</u>	<u>\$ 92,270</u>
United Way Bradley Co. Endowment Trust			
Brokerage Money Funds	\$ 7,977	\$ 7,977	\$ -
Common Equity Securities	153,235	210,966	57,731
Liquid Alternative Fund	6,800	6,850	50
Fixed Income Mutual Funds	61,200	61,730	530
	<u>\$ 229,212</u>	<u>\$ 287,523</u>	<u>\$ 58,311</u>
	2020		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
United Way of the Ocoee Region:			
Bradley Memorial Health Endowment			
Brokerage Money Funds	\$ 869,808	\$ 869,808	\$ -
US Government Agencies	1,489,395	1,571,329	81,934
Mortgage and Asset Backed Securities	2,054,926	2,207,857	152,931
Common Equity Securities	6,746,669	9,209,647	2,462,978
Exchange Traded Funds	2,700,561	4,475,155	1,774,594
Partnerships	502,500	606,108	103,608
Fixed Income Mutual Funds	4,585,912	4,768,711	182,799
Equity Mutual Funds	6,394,948	8,172,072	1,777,124
	<u>\$ 25,344,719</u>	<u>\$ 31,880,687</u>	<u>\$ 6,535,968</u>

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 8 – INVESTMENTS (continued)

	2020		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
United Way of the Ocoee Region:			
Investments			
Brokerage Money Funds	\$ 132,561	\$ 132,561	\$ -
Common Equity Securities	39,684	51,727	12,043
Exchange Traded Funds	33,551	58,906	25,355
Fixed Income Mutual Funds	324,890	341,020	16,130
Equity Mutual Funds	228,028	270,965	42,937
	<u>\$ 758,714</u>	<u>\$ 855,179</u>	<u>\$ 96,465</u>
United Way Bradley Co. Endowment Trust			
Brokerage Money Funds	\$ 6,514	\$ 6,514	\$ -
Common Equity Securities	146,716	167,238	20,522
Liquid Alternative Fund	6,800	6,981	181
Fixed Income Mutual Funds	61,200	64,420	3,220
	<u>\$ 221,230</u>	<u>\$ 245,153</u>	<u>\$ 23,923</u>

Investment return is summarized as follows:

	2021		2020	
	<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	\$ 689,452	\$ 8,631	\$ 644,832	\$ 6,162
Capital gains	478,380	-	183,028	1,646
Investment fees	(181,923)	(1,312)	(152,485)	(1,097)
Net realized gains (losses)	2,998,156	662	589,460	(7,704)
Net unrealized gains (losses)	(625,602)	34,389	2,570,544	18,829
Total investment return	<u>\$ 3,358,463</u>	<u>\$ 42,370</u>	<u>\$ 3,835,379</u>	<u>\$ 17,836</u>

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 9 – 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.

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, 2021 and 2020:

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

	2021				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
United Way of the Ocoee Region:					
Bradley Memorial Health Endowment					
Brokerage Money Funds	\$ 563,305	\$ -	\$ 563,305	\$ -	\$ -
US Government Agencies	2,659,449	-	2,659,449	-	-
Mortgage and Asset Back Securities	1,464,306	1,464,306	-	-	-
Common Equity Securities	8,372,046	8,372,046	-	-	-
Exchange Traded Funds	3,819,524	3,819,524	-	-	-
Partnerships	595,107	-	-	-	595,107
Fixed Income Mutual Funds	5,103,959	5,103,959	-	-	-
Equity Mutual Funds	10,959,852	10,959,852	-	-	-
	<u>\$ 33,537,548</u>	<u>\$ 29,719,687</u>	<u>\$ 3,222,754</u>	<u>\$ -</u>	<u>\$ 595,107</u>
United Way of the Ocoee Region:					
Investments					
Brokerage Money Funds	\$ 42,544	\$ -	\$ 42,544	\$ -	\$ -
Common Equity Securities	75,364	75,364	-	-	-
Exchange Traded Funds	10,867	10,867	-	-	-
Fixed Income Mutual Funds	377,381	377,381	-	-	-
Equity Mutual Funds	419,489	419,489	-	-	-
	<u>\$ 925,645</u>	<u>\$ 883,101</u>	<u>\$ 42,544</u>	<u>\$ -</u>	<u>\$ -</u>
United Way Bradley Co. Endowment					
Trust					
Brokerage Money Funds	\$ 7,977	\$ -	\$ 7,977	\$ -	\$ -
Common Equity Securities	210,966	210,966	-	-	-
Liquid Alternative Fund	6,850	6,850	-	-	-
Fixed Income Mutual Funds	61,730	61,730	-	-	-
	<u>\$ 287,523</u>	<u>\$ 279,546</u>	<u>\$ 7,977</u>	<u>\$ -</u>	<u>\$ -</u>

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

	2020				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
United Way of the Ocoee Region:					
Bradley Memorial Health Endowment					
Brokerage Money Funds	\$ 869,808	\$ -	\$ 869,808	\$ -	\$ -
US Government Agencies	1,571,329	-	1,571,329	-	-
Mortgage and Asset Back Securities	2,207,857	2,207,857	-	-	-
Common Equity Securities	9,209,647	9,209,647	-	-	-
Exchange Traded Funds	4,475,155	4,475,155	-	-	-
Partnerships	606,108	-	-	-	606,108
Fixed Income Mutual Funds	4,768,711	4,768,711	-	-	-
Equity Mutual Funds	8,172,072	8,172,072	-	-	-
	<u>\$ 31,880,687</u>	<u>\$28,833,442</u>	<u>\$ 2,441,137</u>	<u>\$ -</u>	<u>\$ 606,108</u>
United Way of the Ocoee Region:					
Investments					
Brokerage Money Funds	\$ 132,561	\$ -	\$ 132,561	\$ -	\$ -
Common Equity Securities	51,727	51,727	-	-	-
Exchange Traded Funds	58,906	58,906	-	-	-
Fixed Income Mutual Funds	341,020	341,020	-	-	-
Equity Mutual Funds	270,965	270,965	-	-	-
	<u>\$ 855,179</u>	<u>\$ 722,618</u>	<u>\$ 132,561</u>	<u>\$ -</u>	<u>\$ -</u>
Trust					
Brokerage Money Funds	\$ 6,514	\$ -	\$ 6,514	\$ -	\$ -
Common Equity Securities	167,238	167,238	-	-	-
Liquid Alternative Fund	6,981	6,981	-	-	-
Fixed Income Mutual Funds	64,420	64,420	-	-	-
	<u>\$ 245,153</u>	<u>\$ 238,639</u>	<u>\$ 6,514</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 1 to two years.

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 10 - 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 11 - RESTRICTIONS ON ASSETS

Restrictions on net assets consist of the following as of December 31, 2021 and 2020:

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.

Eyeglass Services - Contributions received for the eyeglass services program are restricted for assistance to qualifying individuals in need of eyeglass services. These restrictions are considered to expire when payments are made.

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.

Impact - Contributions and program income received for the Impact program are restricted for program expenses related to providing services for disadvantage communities in Bradley County, Tennessee. 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.

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 11 - RESTRICTIONS ON ASSETS (continued)

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.

Young Professionals - Contributions received for the Young Professionals program are restricted for program services related to reach and engage the next generation. The restrictions are considered to expire when payments are made.

Contributions/Grants – Funds received for specified donor purposes for Chattanooga Gas, Kindness Fund, COVID relief, 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, 2021 and 2020

NOTE 11 - RESTRICTIONS ON ASSETS (continued)

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

	<u>2021</u>	<u>2020</u>
United Way of the Ocoee Region		
Subject to expire for specified purpose:		
Eyeglass services	\$ 788	\$ 10,381
Impact Cleveland	-	30,000
Read United	2,821	-
Long-Term Recovery	41,528	56,061
Young Professionals	1,106	1,106
WHR Christmas	56,573	64,707
Women United	21,212	44,215
Campaign allocations	435,500	104,261
Project Round Up/Ocoee Connect	212,863	161,723
Kindness Fund	87,617	20,151
Chattanooga Gas	7,089	-
COVID relief	-	17,505
Mott Grant	834	4,275
	<u>867,931</u>	<u>514,385</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>33,097,790</u>	<u>31,326,750</u>
	<u>\$ 33,965,721</u>	<u>\$ 31,841,135</u>
United Way of Bradley Co. Endowment Trust		
	<u>2021</u>	<u>2020</u>
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>\$ 287,523</u>	<u>\$ 245,153</u>

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 11 - 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>2021</u>	<u>2020</u>
United Way of the Ocoee Region		
Purpose restrictions accomplished:		
Eyeglass services	\$ 9,593	\$ 20,662
Impact Cleveland	30,000	29,845
Read United	52,569	99,007
Long-Term Recovery	14,532	9,657
Young Professionals	-	205
WHR Christmas	39,156	44,901
Women United	34,692	1,660
VISTA program	310,727	346,782
Bradley Memorial Health Endowment	303,060	581,319
Project Round Up/Ocoee Connect	136,074	157,089
Kindness Fund	19,201	19,303
TN CARES Grant	-	277,845
Chattanooga Gas	411	-
COVID	40,005	29,470
Mott Grant	3,442	609
	<u>993,462</u>	<u>1,618,354</u>
Time restrictions expired:		
Bradley Memorial Health Endowment allocations	1,213,758	849,466
Campaign allocations	735,331	985,147
	<u>1,949,089</u>	<u>1,834,613</u>
Total restrictions released	<u>\$ 2,942,551</u>	<u>\$ 3,452,967</u>

NOTE 12 - 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, 2021 and 2020

NOTE 12 - 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, 2021 and 2020

NOTE 12 - ENDOWMENT (continued)

Endowment net asset composition by type of fund as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
	<u>With Donor Restrictions</u>	<u>With Donor Restrictions</u>
United Way of the Ocoee Region		
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	2,432,610	1,892,073
Accumulated investment gains (losses)	<u>10,408,557</u>	<u>9,178,054</u>
	<u>\$ 33,097,790</u>	<u>\$ 31,326,750</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>135,973</u>	<u>93,603</u>
	<u>\$ 287,523</u>	<u>\$ 245,153</u>

Changes in endowment net assets for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
	<u>With Donor Restrictions</u>	<u>With Donor Restrictions</u>
United Way of the Ocoee Region		
Endowment net assets, beginning of year	\$ 31,326,750	\$ 29,004,002
Investment return, net	3,287,858	3,753,774
Appropriation of endowment assets for expenditure	<u>(1,516,818)</u>	<u>(1,431,026)</u>
	<u>\$ 33,097,790</u>	<u>\$ 31,326,750</u>
United Way of Bradley Co. Endowment Trust		
Endowment net assets, beginning of year	\$ 245,153	\$ 227,317
Contributions	-	-
Investment return, net	<u>42,370</u>	<u>17,836</u>
	<u>\$ 287,523</u>	<u>\$ 245,153</u>

UNITED WAY OF THE OCOEE REGION & AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 12 - 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, 2021 and 2020

NOTE 13 - 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, 2021 and 2020 of \$808,170 and \$1,101,933, respectively, are expected to be paid within one year.

NOTE 14 - DONATED PROFESSIONAL SERVICES AND MATERIALS

In-kind support is reflected as revenue and expense in the financial statements based on estimated values as follows:

	2021			
	Program Services	Management and General	Fundraising	Total
Advertising	\$ 20,390	\$ -	\$ 6,796	\$ 27,186
Supplies	9,147	-	-	9,147
	\$ 29,537	\$ -	\$ 6,796	\$ 36,333
	2020			
	Program Services	Management and General	Fundraising	Total
Advertising	\$ 18,117	\$ -	\$ 6,039	\$ 24,156
Supplies	3,024	-	-	3,024
	\$ 21,141	\$ -	\$ 6,039	\$ 27,180

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events were evaluated through June 28, 2022, 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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
United Way Member Agencies		
Boys & Girls Club of Cleveland	\$ 75,000	\$ 150,000
Boy Scouts of America - Cherokee Area	-	(1,174)
Court Appointed Special Advocate	11,813	23,342
Cleveland Emergency Shelter	(1,885)	11,250
City Fields	41,113	112,026
Family Promise	17,918	35,836
Family Cornerstone	9,000	18,000
Family Violence Shelter	32,625	65,250
Legal Aid of East TN	22,500	44,376
Ocoee Outreach	6,328	12,531
Polk County Aid	7,188	8,625
Project Round Up	223,216	157,089
Other	81	860
YCAP YMCA Metro Chattanooga	43,917	87,835
Total United Way Member Agencies	<u>488,814</u>	<u>725,846</u>
Bradley Memorial Health Endowment Agencies		
Boys & Girls Club of Cleveland	60,000	12,000
Bradley County Committee on Aging	-	15,005
Bradley Cleveland Public Education Foundation	60,100	48,387
Court Appointed Special Advocate	(434)	11,500
CenterStone	14,000	12,000
Cleveland Emergency Shelter	25,000	-
Cleveland Lions Club	11,500	-
Community Foundation	-	10,000
Family Cornerstone	-	15,000
Family Promise	12,000	9,286
FCA	-	(620)
Foundation House	50,000	35,000
FRA - Family Violence	44,800	-
Girls on the Run	-	13,976
Habitat for Humanity	50,000	-
HOPE Center	-	40,000
Karis Dental Clinic	213,100	350,000
Lee University	21,654	-
Legal Aid of East TN	12,000	-
LUDIC	45,000	90,000
New Hope Pregnancy Center	19,733	29,600
New Life	-	15,000
Quilts of Valor Foundation	-	3,474
On Point	16,000	19,778
Orphanwise	10,000	-
Refuge Community Center	-	(1,920)
Speech & Hearing Center	4,000	5,800
The Caring Place	44,789	106,141
The Health Opportunity Protection & Encouragement Center	39,875	-
UWOR Housing Coalition - The Caring Place Portion	100,000	-
Walter E Boehm Birth Defects Center	9,250	9,600
YMCA	9,500	459
Total Bradley Memorial Health Endowment Agencies	<u>871,867</u>	<u>849,466</u>
Total Allocations	<u>\$ 1,360,681</u>	<u>\$ 1,575,312</u>