

**ROANE COUNTY UNITED WAY, INC**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

ROANE COUNTY UNITED WAY, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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## **INTRODUCTORY SECTION**

**ROANE COUNTY UNITED WAY, INC.**  
**BOARD OF DIRECTORS**  
**DECEMBER 31, 2019**

|                  |                    |
|------------------|--------------------|
| Teresa Duncan    | Chairman           |
| Sharon Kohler    | Past Chair         |
| Mona Wright      | Secretary          |
| Amber Wyrick     | Treasurer          |
| Scott Mason      | Member             |
| Joyce Nall       | Member             |
| Suzanne Horsfall | Member             |
| Clarence Gabriel | Member             |
| Larry Kornaki    | Member             |
| Teresa Jackson   | Member             |
| Gail Lyke        | Member             |
| Tim Suter        | Member             |
| Matt Waters      | Member             |
| Cathy Willis     | Member             |
| Analeise Westby  | Member             |
| Dina Jackson     | Executive Director |

## **FINANCIAL SECTION**

# ***The MG Group, P.C.***

**CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS**

**Tullahoma, Tennessee**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Roane County United Way, Inc.  
Harriman, Tennessee

We have audited the accompanying financial statements of Roane County United Way, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**515 NW Atlantic Street, Tullahoma, Tennessee 37388**

**Phone (931) 393-3307**

**Fax (931) 563-5585**

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roane County United Way, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*MG Group, P.C.*

Tullahoma, Tennessee  
May 15, 2020

**ROANE COUNTY UNITED WAY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**

**ASSETS**

|                           |             |
|---------------------------|-------------|
| Cash and Cash Equivalents | \$ 535,246  |
| Investments at Fair Value | 5,731       |
| Promises to Give - Net    | 105,773     |
| Land                      | 10,560      |
| Building                  | 95,040      |
| Office Equipment          | 6,254       |
| Accumulated Depreciation  | (14,783)    |
| Other Assets              | 100         |
|                           | <hr/>       |
| TOTAL ASSETS              | \$ 743,921  |
|                           | <hr/> <hr/> |

**LIABILITIES AND NET ASSETS**

|                                  |             |
|----------------------------------|-------------|
| Liabilities:                     |             |
| Accounts Payable                 | \$ 724      |
| Designations Payable             | 4,805       |
| Allocations Payable              | 38,041      |
| Compensated Absences             | 3,299       |
| Payroll Liabilities              | 1,544       |
|                                  | <hr/>       |
| TOTAL LIABILITIES                | 48,413      |
| Net Assets:                      |             |
| Without Donor Restrictions       | 589,735     |
| With Donor Restrictions          | 105,773     |
|                                  | <hr/>       |
| TOTAL NET ASSETS                 | 695,508     |
|                                  | <hr/>       |
| TOTAL LIABILITIES AND NET ASSETS | \$ 743,921  |
|                                  | <hr/> <hr/> |

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



**ROANE COUNTY UNITED WAY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total          |
|---|-------------------------------|----------------------------|----------------|
| Operating Activities  |                               |                            |                |
| <b>PUBLIC SUPPORT AND REVENUE</b>                           |                               |                            |                |
| Campaign Revenues   | \$ 152,120                    | \$ 105,773                 | \$ 257,893     |
| Net Assets Released from Restrictions:                      |                               |                            |                |
| Restrictions Satisfied by Payments                          | 254,944                       | (254,944)                  | -              |
| <b>PUBLIC SUPPORT AND REVENUE</b>                           |                               |                            |                |
| Revenue from Investments                                    | 3,615                         | -                          | 3,615          |
| Event Sponsorship   | 17,116                        | -                          | 17,116         |
| In-Kind Revenue   | 2,040                         | -                          | 2,040          |
| Grants  | 4,000                         | -                          | 4,000          |
| Miscellaneous   | 725                           | -                          | 725            |
| <b>TOTAL PUBLIC SUPPORT AND REVENUE</b>                     | <b>434,560</b>                | <b>(149,171)</b>           | <b>285,389</b> |
| <b>COSTS AND EXPENSES</b>                                   |                               |                            |                |
| Fundraising Services  | 30,840                        | -                          | 30,840         |
| Program Services  | 215,529                       | -                          | 215,529        |
| Supporting Services   | 49,135                        | -                          | 49,135         |
| <b>TOTAL COSTS AND EXPENSES</b>                             | <b>295,504</b>                | <b>-</b>                   | <b>295,504</b> |
| <br><b>CHANGE IN NET ASSETS</b>                             | <br>139,056                   | <br>(149,171)              | <br>(10,115)   |
| <br><b>NET POSITION - BEGINNING, AS PREVIOUSLY REPORTED</b> | <br>581,195                   | <br>254,944                | <br>836,139    |
| <br><b>RESTATEMENT - SEE NOTE Q</b>                         | <br>(130,516)                 | <br>-                      | <br>(130,516)  |
| <br><b>NET ASSETS, BEGINNING OF YEAR, AS RESTATED</b>       | <br>450,679                   | <br>254,944                | <br>705,623    |
| <br><b>NET ASSETS, END OF YEAR</b>                          | <br>\$ 589,735                | <br>\$ 105,773             | <br>\$ 695,508 |

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

**ROANE COUNTY UNITED WAY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                | Fundraising<br>Services | Program Services | Management and<br>General | Total      |
|--------------------------------|-------------------------|------------------|---------------------------|------------|
| Expenses:                      |                         |                  |                           |            |
| Bank Service Charges           | \$ -                    | \$ 18            | \$ 104                    | \$ 122     |
| Campaign                       | 1,520                   | 1,505            | 257                       | 3,282      |
| Community Enhancement          | -                       | 4,000            | -                         | 4,000      |
| Community Investment           | -                       | 158,200          | -                         | 158,200    |
| Depreciation                   | -                       | -                | 2,437                     | 2,437      |
| Designation                    | -                       | 11,551           | -                         | 11,551     |
| Dues & Subscriptions           | 1,254                   | 1,885            | 1,954                     | 5,093      |
| Events                         | 673                     | 1,249            | 457                       | 2,379      |
| Insurance                      | -                       | 368              | 2,742                     | 3,110      |
| Inter-Agency Lunch             | -                       | 14               | -                         | 14         |
| Licenses and Permits           | 106                     | 106              | 87                        | 299        |
| Maintenance Building           | -                       | -                | 160                       | 160        |
| Maintenance Copier Fee         | -                       | 141              | 141                       | 282        |
| Office Supplies                | 12                      | 105              | 284                       | 401        |
| Payroll                        | 6,183                   | 43,172           | 37,119                    | 86,474     |
| Postage and Delivery           | 654                     | 1,251            | 244                       | 2,149      |
| Professional Fees              | -                       | -                | 4,050                     | 4,050      |
| Telephone/Internet             | -                       | 1,022            | 1,022                     | 2,044      |
| Trainings/Meetings/Recognition | -                       | 124              | 207                       | 331        |
| Travel                         | -                       | 80               | 134                       | 214        |
| Teachers' Supply Closet        | -                       | 3,675            | 75                        | 3,750      |
| Utilities                      | -                       | 1,255            | 1,519                     | 2,774      |
| Volunteer Recognition          | -                       | 2,040            | -                         | 2,040      |
| Workshops                      | -                       | 318              | 30                        | 348        |
| Totals                         | \$ 10,402               | \$ 232,079       | \$ 53,023                 | \$ 295,504 |

*The accompanying notes are an integral part of this statement*

**ROANE COUNTY UNITED WAY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

|                      |    |          |
|----------------------|----|----------|
| Change in Net Assets | \$ | (10,115) |
|----------------------|----|----------|

Adjustments to Reconcile Change in Net Assets to

Net Cash Used in Operating Activities

|   |  |         |
|---|--|---------|
| Depreciation                                    |  | 2,437   |
| (Increase) Decrease in Contributions Receivable |  | 17,930  |
| Increase (Decrease) in Accounts Payable         |  | (702)   |
| Increase (Decrease) in Allocations Payable      |  | (4,334) |
| Increase (Decrease) in Designations Payable     |  | 3,400   |
| Increase (Decrease) in Compensated Absences     |  | 304     |
| Increase (Decrease) in Payroll Liabilities      |  | (2,886) |

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

6,034

**CASH FLOWS FROM INVESTING ACTIVITIES**

Unrealized Gains on Investments

1,263

**NET CASH PROVIDED BY INVESTING ACTIVITIES**

1,263

**NET INCREASE IN CASH AND**

**CASH EQUIVALENTS**

7,297

**CASH AND CASH EQUIVALENTS,**

**BEGINNING OF YEAR**

527,949

**CASH AND CASH EQUIVALENTS, END OF YEAR**

\$ 535,246

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

**ROANE COUNTY UNITED WAY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Roane County United Way, Inc. (the "Organization"), is a private, non-profit corporation located in Harriman, Tennessee serving nonprofit causes in Roane County and is a member of the United Way of America. The mission of the corporation is to raise and allocate funds for the support of community-accepted health, welfare, and recreation agencies, including, local, state, and national service organizations in a unified appeal to create more general interest in the service of such agencies and in the unified appeal thereby reducing the cost of such fund-raising using the consolidated approach. The Roane County United Way, Inc. was founded November 1996 and is governed by a volunteer board of directors.

**Basis of Presentation**

The accompanying financial statements present the financial position and changes in net assets of the Organization on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Resources are classified as net assets with donor restrictions or without donor restrictions, based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are free of donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenses are reported in the unrestricted class of net assets since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction.
- *Net assets with donor restrictions* are limited as to use by donor-imposed restriction that expire with the passage of time or that can be satisfied by use for the specific purpose.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**ROANE COUNTY UNITED WAY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**Investments**

Investments consist of money market, equity securities, fixed income mutual funds and a commodity fund and are carried at the quoted fair market value on the last business day of the reporting period. The changes in unrealized gains and losses are recognized currently in the statement of activities.

The Organization classifies its investments based on a hierarchy consisting of level 1 (securities valued using quoted prices from active markets for identical assets), level 2 (securities not traded on an active market but for which observable market inputs are readily available), and level 3 (securities valued based on significant unobservable inputs).

An asset's 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 maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for investments in US Treasury securities, debt obligations and mortgage-backed securities are based primarily on other observable values, such as interest rates and yield curves.

No changes in the valuation methodologies have been made since the prior year.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values.

Furthermore, while the Organization believes its valuation methodologies are appropriate and consistent with that of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

**ROANE COUNTY UNITED WAY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**FAIR VALUE MEASUREMENTS**

The following table sets forth the Organization's major categories of assets measured at fair value on a recurring basis, by level with the fair value hierarchy as of December 31:

| <u>Investments:</u>   | <u>Level 1</u>  | <u>Level 2</u> | <u>Level 3</u> |
|-----------------------|-----------------|----------------|----------------|
| Equity Securities     | \$ 5,731        | \$ -           | \$ -           |
| Fixed Income          | -               | -              | -              |
| Cash and Money Market | -               | -              | -              |
|                       | <u>\$ 5,731</u> | <u>\$ -</u>    | <u>\$ -</u>    |

The reported fair value amounts above have not been comprehensively revalued since the presentation dates and, estimates of fair values after the statement of financial position dates may differ significantly from the amounts presented herein.

The fair value of these investments at May 15, 2020 was \$3,069.

The fair values and related costs of investments are summarized as follows at December 31, 2019:

|                        | <u>Fair Value</u> |
|------------------------|-------------------|
| Regions Financial Corp | \$5,731           |

The unrealized gain in fair value of investments was \$1,262 at year-end which is reported in revenue from investments on the statement of activities.

**Accrual Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis in accordance with generally accepted accounting principles, and accordingly reflect all significant receivables, payables and other liabilities.

**ROANE COUNTY UNITED WAY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**Property and Equipment**

Property and equipment is stated at cost, or if donated, at the approximate fair market value at the date of donation. Major additions are capitalized while maintenance and repairs, including the cost of minor items of property, are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is included as an expense in the Schedule of Functional Expenses. The Organization owns property that has been donated over a period of years. Amounts previously reflected for these donations were a building and land reporting in prior years; all others were not considered material. Accordingly, no value for this property and equipment has been included in the value of property and equipment in the financial statements. All future donations and purchases will be recorded as received or purchased.

**Contributions**

Contributions received are recorded as with donor restrictions or without donor restrictions net assets depending on the existence or nature of any donor restrictions.

**ROANE COUNTY UNITED WAY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after they were filed.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Compensated Absences**

Employees can carry over up to 144 hours of vacation leave per year. As of December 31, 2019, \$3,299 of vacation time was accrued.

**Advertising**

The Organization's policy is to expense advertising costs as incurred. For the year ended December 31, 2019, there were no advertising costs included in campaign expense.

**Functional Allocation of Expenses**

The cost of providing the various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services.

Program grants made to direct service providers are recognized as program service expenses in the period approved by the Board of Directors, and correspond to the period of the release of time restrictions for related campaign pledges.



**ROANE COUNTY UNITED WAY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**Donated Services**

The Organization records the value of donated goods or services when there is an objective basis available to measure their value. A number of volunteers donated significant amounts of their time in the Organization's program and supporting services.

**NOTE B - CASH AND CASH EQUIVALENTS**

At December 31, 2019, the bank balances of the Organization was \$536,462. Total deposits were either fully insured or collateralized. The total carrying value was \$535,245 at December 31, 2019.

**NOTE C - CONTRIBUTIONS AND DESIGNATIONS RECEIVABLE**

Unconditional promises to give, recorded as contributions or designations receivable, at December 31, 2019 are as follows:

|                                       | Contributions<br>Receivable |
|---------------------------------------|-----------------------------|
| Campaign Pledges                      | \$ 112,794                  |
| Less: Allowance for Doubtful Accounts | (7,021)                     |
| Amounts due in less than one year     | <u>\$ 105,773</u>           |

**NOTE D – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted as follows:

|  |                   |
|--|-------------------|
| Subject to the passage of time:          |                   |
| For periods after December 31, 2019      | <u>\$ 105,773</u> |
| Total net assets with donor restrictions | <u>\$ 105,773</u> |

**ROANE COUNTY UNITED WAY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE E - PROPERTY AND EQUIPMENT**

A summary of property and equipment follows:

|   | 01/01/19  | Additions  | Deletions | 12/31/19  |
|---|-----------|------------|-----------|-----------|
| <u>Capital assets not being depreciated</u> |           |            |           |           |
| Land  | \$ 10,560 |            |           | \$ 10,560 |
| Total capital assets not being depreciated  | 10,560    | -          | -         | 10,560    |
| <u>Capital assets being depreciated:</u>    |           |            |           |           |
| Office Equipment                            | 6,254     |            |           | 6,254     |
| Building                                    | 95,040    |            |           | 95,040    |
| Total capital assets being depreciated      | 101,294   | -          | -         | 101,294   |
| <u>Accumulated depreciation</u>             |           |            |           |           |
| Office Equipment                            | 6,254     |            |           | 6,254     |
| Building                                    | 6,092     | 2,437      |           | 8,529     |
| Total accumulated depreciation              | 12,346    | 2,437      | -         | 14,783    |
| Net capital assets being depreciated        | 88,948    | (2,437)    | -         | 86,511    |
| Net capital assets                          | \$ 99,508 | \$ (2,437) | \$ -      | \$ 97,071 |

Depreciation expensed during the year was \$2,437.

**NOTE F - ECONOMIC DEPENDENCY**

The Organization is economically dependent on the support it receives from its contributors and local citizens. If a major reduction of funding provided by the fundraising campaign should occur, it could have a significant effect on the future operation of the Organization's programs and activities. The largest percentage of the Organization's revenue and receivables is derived from Y12, and ORNL employees' pledges. As a result, reductions in these pledges could have a material effect on the Organization's operations.

**NOTE G - DONATED GOODS AND SERVICES**

The Organization received immaterial donated goods for fund-raising during the year. Volunteers also donated their time for various committees throughout the year and the estimated fair market value of those services was \$2,040.

**ROANE COUNTY UNITED WAY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE G - DONATED GOODS AND SERVICES (CONT.)**

These amounts that are recognized as donated goods and services in the Statement of Activities and the Schedule of Functional Expenses.

|              | <u>2019</u>     |
|--------------|-----------------|
| Office Space | \$ -            |
| Supplies     | -               |
| Volunteers   | <u>2,040</u>    |
| Total        | <u>\$ 2,040</u> |

**NOTE H - EVALUATION OF SUBSEQUENT EVENTS**

Events that occur after the financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the conditions that existed at the financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial position date require disclosure in the accompanying notes.

Management evaluated the activity of the organization through May 15, 2020 (the date the financial statements were available to be issued) and concluded that no events should be disclosed as a subsequent event.

**NOTE J - CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, various grants, pledges receivable and investments. The Organization maintains cash accounts at financial institutions, investment companies and trusts whose accounts are insured by the Federal Deposit Insurance Corporation. Pledges receivable consist of corporate and individual pledges for the annual campaign, which are widely dispersed to mitigate credit risk.

**ROANE COUNTY UNITED WAY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE L - DESIGNATED CONTRIBUTIONS**

The Organization accepts contributions that are designated by the donor to be passed on to member agencies or to other United Way agencies. Designations to member agencies are distributed under the Organization's allocation procedure, and designation to other United Way agencies are distributed on a prorated basis as receipts for promises to give are received. The amount of designated donor contributions for specific organizations for the year ended December 31, 2019 was \$4,805.

**NOTE L - GRANT INCOME**

The Organization was a subrecipient of the Volunteer Income Tax Assistant Program (VITA). In conformance with the grant requirements, the Organization performed tax returns. During the fiscal year ending December 31, 2019, the Organization received \$3,500 from the VITA grant.

**NOTE M – BOARD DESIGNATIONS**

For the year ending December 31, 2019, the Board has not designated any amounts from the net assets without donor restrictions for any purpose.

**NOTE N – ENDOWMENTS**

For the year ending December 31, 2019, the Organization had no donor-restricted endowment funds.

**NOTE O – AVAILABILITY OF NET ASSETS**

The following reflects the Organization's financial assets at the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date.

|  |                          |
|--|--------------------------|
| Financial assets, at year-end  | \$ 695,508               |
| Less: those unavailable for general expenditures within one year due to:               |                          |
| Donor imposed restrictions:  |                          |
| Restricted by donor with time  | <u>(105,773)</u>         |
| Financial assets available to meet cash needs for general expenditures within one year | <u><u>\$ 589,735</u></u> |

**ROANE COUNTY UNITED WAY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE O – AVAILABILITY OF FINANCIAL ASSETS-(CONT)**

The organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. In order to manage this, the Organization structures its financial assets to be available as general expenditures, liabilities, and other obligations come due. Furthermore, the Organization possesses investments of equity securities.

**NOTE P – AVAILABILITY OF FINANCIAL ASSETS**

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

|                           |                   |
|---------------------------|-------------------|
| Cash and cash equivalents | \$ 535,245        |
| Short-term investments    | 5,731             |
| Promises to give - net    | <u>105,773</u>    |
|                           | <u>\$ 646,749</u> |

The Organization structures its financial assets to be available as general expenditures, liabilities, and other obligations come due. Furthermore, the Organization possesses investments of equity securities. To help manage unanticipated liquidity needs, the Organization possesses two money market accounts, which could be made available if necessary.

**NOTE Q –PRIOR PERIOD ADJUSTMENT**

The Organization adjusted their beginning net assets as of January 1, 2019 by the following amounts:

|  |                   |
|--|-------------------|
| Beginning Net Assets                     | \$ 836,139        |
| Restatement due to change in an estimate | <u>(130,516)</u>  |
| Beginning Net Assets - Restated          | <u>\$ 705,623</u> |