

UNITED WAY OF THE BLUEGRASS, INC.
Lexington, Kentucky

FINANCIAL STATEMENTS
June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of the Bluegrass, Inc.
Lexington, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of the Bluegrass, Inc., which comprise the statements of financial position as of June 30, 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 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 audits. We conducted our audits 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 from 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 auditor's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Bluegrass, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

Emphasis of Matter

As discussed in Note 2 to the financial statements, in June 30, 2021, United Way of the Bluegrass, Inc. adopted ASU 2014-09 *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of allocations to agencies is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Crowe LLP
Crowe LLP

Lexington, Kentucky
February 17, 2022

UNITED WAY OF THE BLUEGRASS, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 593,759	\$ 563,006
Investments (Note 3)	1,813,158	1,357,234
Pledges receivable		
Annual campaign (net of allowance for uncollectible pledges of \$444,638 and \$465,399 for 2021 and 2020, respectively)	692,282	716,935
Prepaid expenses	50,901	22,785
Other assets		
Grants and other miscellaneous receivables	792,327	124,191
Property and equipment, net (Note 4)	<u>7,085</u>	<u>419</u>
Total other assets	<u>799,412</u>	<u>124,610</u>
Total assets	<u>\$ 3,949,512</u>	<u>\$ 2,784,570</u>
LIABILITIES AND NET ASSETS		
Allocations payable	\$ 155,307	\$ 248,526
Accounts payable and accrued expenses	159,884	83,904
Deferred rent payable	10,633	62,332
Deferred revenue	25,000	323,000
Line of credit (Note 11)	<u>-</u>	<u>92,000</u>
Total liabilities	350,824	809,762
Net assets		
Without donor restrictions		
Unappropriated	1,821,743	1,080,723
Designated by Board of Directors (Note 5)	<u>646,065</u>	<u>497,442</u>
Total net assets without donor restrictions	2,467,808	1,578,165
With donor restrictions (Note 6)	<u>1,130,880</u>	<u>396,643</u>
Total net assets	<u>3,598,688</u>	<u>1,974,808</u>
Total liabilities and net assets	<u>\$ 3,949,512</u>	<u>\$ 2,784,570</u>

See accompanying notes to financial statements

UNITED WAY OF THE BLUEGRASS, INC.
STATEMENT OF ACTIVITIES
Year ended June 30, 2021 and 2020
(Total for Comparison Purposes)

	2021			2020 <u>Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
Revenue, gains and other support				
Current year campaign				
Contributions received in current period	\$ 2,793,416	\$ 14,860	\$ 2,808,276	\$ 3,126,663
Less amounts designated by contributors	(23,629)	-	(23,629)	(14,225)
Less provision for uncollectible pledges	<u>(122,502)</u>	<u>-</u>	<u>(122,502)</u>	<u>(334,502)</u>
	2,647,285	14,860	2,662,145	2,777,936
Prior year campaign				
Contributions received in current period	92,707	-	92,707	26,459
Future year campaign				
Contributions	<u>4,716</u>	<u>-</u>	<u>4,716</u>	<u>6,710</u>
Total campaigns	2,744,708	14,860	2,759,568	2,811,105
Special events	24,491	-	24,491	1,551
Grants	323,000	274,092	597,092	337,393
In-kind contributions	188,060	-	188,060	241,505
Contract services	561,383	-	561,383	410,338
Non-campaign contributions	-	960,760	960,760	27,333
Other income	158,507	-	158,507	73,566
Investment income	28,921	-	28,921	33,478
Realized and unrealized gains on investments, net	369,225	-	369,225	4,492
Contributions released from restrictions	<u>515,475</u>	<u>(515,475)</u>	<u>-</u>	<u>-</u>
Total revenue, gains and other support	4,913,770	743,237	5,648,007	3,940,761
Allocations and other functional expenses				
Program services				
Allocations to agencies	1,528,453	-	1,528,453	1,673,650
Less amounts designated by contributors	<u>(23,629)</u>	<u>-</u>	<u>(23,629)</u>	<u>(14,225)</u>
Total allocations to agencies	1,504,824	-	1,504,824	1,659,425
Community impact	1,046,413	-	1,046,413	1,285,155
Trailblazers (RSVP)	111,321	-	111,321	119,654
All other programs	<u>608,070</u>	<u>-</u>	<u>608,070</u>	<u>357,479</u>
Total program services	3,270,628	-	3,270,628	3,421,713
Support services				
Resource development	711,646	-	711,646	506,816
Organizational administration	<u>315,621</u>	<u>-</u>	<u>315,621</u>	<u>275,173</u>
Total support services	1,027,267	-	1,027,267	781,989
Total allocations and other functional expenses	<u>4,297,895</u>	<u>-</u>	<u>4,297,895</u>	<u>4,203,702</u>
Change in net assets from operating activities	615,875	734,237	1,350,112	(262,941)
Excess of net assets acquired related to acquisition of United Way of Franklin County (Note 13)	<u>273,768</u>	<u>-</u>	<u>273,768</u>	<u>-</u>
Change in net assets	889,643	743,237	1,623,880	(262,941)
Net assets, beginning of period	<u>1,578,165</u>	<u>396,643</u>	<u>1,974,808</u>	<u>2,237,749</u>
Net assets, end of period	<u>\$ 2,467,808</u>	<u>\$ 1,130,880</u>	<u>\$ 3,598,688</u>	<u>\$ 1,974,808</u>

See accompanying notes to financial statements

UNITED WAY OF THE BLUEGRASS, INC.
STATEMENT OF ACTIVITIES
Year ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, gains and other support			
Current year campaign			
Contributions received in current period	\$ 3,126,663	\$ -	\$ 3,126,663
Less amounts designated by contributors	(14,225)	-	(14,225)
Less provision for uncollectible pledges	<u>(334,502)</u>	<u>-</u>	<u>(334,502)</u>
	2,777,936	-	2,777,936
Prior year campaign			
Contributions received in current period	26,459	-	26,459
Future year campaign			
Contributions	<u>6,710</u>	<u>-</u>	<u>6,710</u>
Total campaigns	2,811,105	-	2,811,105
Special events	1,551	-	1,551
Grants	9,500	327,893	337,393
In-kind contributions	241,505	-	241,505
Contract services	410,338	-	410,338
Non-campaign contributions	-	27,333	27,333
Other income	73,566	-	73,566
Investment income	33,478	-	33,478
Realized and unrealized gains on investments, net	4,492	-	4,492
Contributions released from restrictions	<u>283,363</u>	<u>(283,363)</u>	<u>-</u>
Total revenue, gains and other support	3,868,898	71,863	3,940,761
Allocations and other functional expenses			
Program services			
Allocations to agencies	1,673,650	-	1,673,650
Less amounts designated by contributors	<u>(14,225)</u>	<u>-</u>	<u>(14,225)</u>
Total allocations to agencies	1,659,425	-	1,659,425
Community impact	1,285,155	-	1,285,155
Trailblazers (RSVP)	119,654	-	119,654
All other programs	<u>357,479</u>	<u>-</u>	<u>357,479</u>
Total program services	3,421,713	-	3,421,713
Support services			
Resource development	506,816	-	506,816
Organizational administration	<u>275,173</u>	<u>-</u>	<u>275,173</u>
Total support services	781,989	-	781,989
Total allocations and other functional expenses	<u>4,203,702</u>	<u>-</u>	<u>4,203,702</u>
Change in net assets	(334,804)	71,863	(262,941)
Net assets, beginning of period	<u>1,912,969</u>	<u>324,780</u>	<u>2,237,749</u>
Net assets, end of period	<u>\$ 1,578,165</u>	<u>\$ 396,643</u>	<u>\$ 1,974,808</u>

See accompanying notes to financial statements

UNITED WAY OF THE BLUEGRASS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2021

	Program Services				Support Services			Total
	Allocations and Community Impact	Trailblazers (RSVP)	All Other Programs	Total Program Services	Resource Development	Organizational Administration	Total Support Services	
Allocations to agencies	\$ 1,528,453	\$ -	\$ -	\$ 1,528,453	\$ -	\$ -	\$ -	\$ 1,528,453
Less amounts designated by contributors	(23,629)	-	-	(23,629)	-	-	-	(23,629)
	<u>1,504,824</u>	<u>-</u>	<u>-</u>	<u>1,504,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,504,824</u>
Salaries	676,130	83,981	307,783	1,067,894	357,320	162,535	519,855	1,587,749
Employee benefits	97,285	19,267	52,369	168,921	51,632	18,746	70,378	239,299
Payroll taxes	53,750	7,016	23,281	84,047	30,176	9,836	40,012	124,059
	<u>827,165</u>	<u>110,264</u>	<u>383,433</u>	<u>1,320,862</u>	<u>439,128</u>	<u>191,117</u>	<u>630,245</u>	<u>1,951,107</u>
Professional fees	51,061	-	58,809	109,870	30,944	72,449	103,393	213,263
Office expense	10,339	848	11,661	22,848	13,252	27,046	40,298	63,146
Printing and publications	-	-	-	-	93	75	168	168
Information technology	36,389	50	56,865	93,304	8,799	15,917	24,716	118,020
Occupancy	54,662	-	1,600	56,262	29,125	(32,914)	(3,789)	52,473
Advertising and promotions	72	-	79,295	79,367	6,395	9,779	16,174	95,541
Travel	-	98	219	317	1,338	381	1,719	2,036
Meetings and events	-	61	9,169	9,230	1,645	778	2,423	11,653
Staff development	-	-	-	-	525	9,575	10,100	10,100
Membership dues	36,948	-	-	36,948	18,155	8,986	27,141	64,089
Interest expense	-	-	-	-	-	1,829	1,829	1,829
Insurance	2,618	-	-	2,618	2,200	762	2,962	5,580
Miscellaneous	153	-	1,494	1,647	632	9,260	9,893	11,540
Depreciation expense	2,546	-	-	2,546	1,340	581	1,921	4,467
In-kind contributions	24,460	-	5,525	29,985	158,075	-	158,075	188,060
	<u>219,248</u>	<u>1,057</u>	<u>224,637</u>	<u>444,942</u>	<u>272,518</u>	<u>124,504</u>	<u>397,022</u>	<u>841,965</u>
Total functional expenses	<u>\$ 2,551,237</u>	<u>\$ 111,321</u>	<u>\$ 608,070</u>	<u>\$ 3,270,628</u>	<u>\$ 711,646</u>	<u>\$ 315,621</u>	<u>\$ 1,027,267</u>	<u>\$ 4,297,895</u>

See accompanying notes to financial statements

UNITED WAY OF THE BLUEGRASS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2020

	Program Services				Support Services			Total
	Allocations and Community Impact	Trailblazers (RSVP)	All Other Programs	Total Program Services	Resource Development	Organizational Administration	Total Support Services	
Allocations to agencies	\$ 1,673,650	\$ -	\$ -	\$ 1,673,650	\$ -	\$ -	\$ -	\$ 1,673,650
Less amounts designated by contributors	(14,225)	-	-	(14,225)	-	-	-	(14,225)
	<u>1,659,425</u>	<u>-</u>	<u>-</u>	<u>1,659,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,659,425</u>
Salaries	695,974	88,423	195,716	980,113	302,583	69,377	371,960	1,352,073
Employee benefits	121,524	17,520	32,836	171,880	53,873	18,772	72,645	244,525
Payroll taxes	58,749	6,640	14,772	80,161	27,268	6,186	33,454	113,615
	<u>876,247</u>	<u>112,583</u>	<u>243,324</u>	<u>1,232,154</u>	<u>383,724</u>	<u>94,335</u>	<u>478,059</u>	<u>1,710,213</u>
Professional fees	65,403	-	15,275	80,678	34,735	57,321	92,056	172,734
Office expense	13,467	2,949	4,022	20,438	12,888	25,142	38,030	58,468
Printing and publications	-	-	-	-	918	-	918	918
Information technology	42,147	412	41,190	83,749	8,348	11,856	20,204	103,953
Occupancy	57,492	-	-	57,492	21,624	29,291	50,915	108,407
Insurance	3,946	-	-	3,946	2,055	763	2,818	6,764
Advertising and promotions	1,439	2,052	11,246	14,737	14,710	10,515	25,225	39,962
Travel	838	1,553	2,268	4,659	3,699	6,970	10,669	15,328
Meetings and events	604	(25)	23,950	24,529	1,301	(231)	1,070	25,599
Staff development	251	130	-	381	-	(612)	(612)	(231)
Membership dues	31,002	-	599	31,601	13,264	7,393	20,657	52,258
Interest expense	-	-	-	-	-	4,382	4,382	4,382
Miscellaneous	(5,072)	-	5,984	912	2,738	87	2,825	3,737
Depreciation expense	179	-	-	179	70	31	101	280
In-kind contributions	197,212	-	9,621	206,833	6,742	27,930	34,672	241,505
	<u>408,908</u>	<u>7,071</u>	<u>114,155</u>	<u>530,134</u>	<u>123,092</u>	<u>180,838</u>	<u>303,930</u>	<u>834,064</u>
Total functional expenses	<u>\$ 2,944,580</u>	<u>\$ 119,654</u>	<u>\$ 357,479</u>	<u>\$ 3,421,713</u>	<u>\$ 506,816</u>	<u>\$ 275,173</u>	<u>\$ 781,989</u>	<u>\$ 4,203,702</u>

See accompanying notes to financial statements

UNITED WAY OF THE BLUEGRASS, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 1,623,880	\$ (262,941)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	4,467	280
Realized and unrealized gains on investments, net	(369,225)	(4,492)
Contributions of stock	(3,105)	(3,974)
Provision for uncollectible pledges	122,502	334,502
PPP Loan Forgiveness	(323,000)	-
Excess of net assets acquired (Note 13)	(273,768)	-
Changes in		
Pledges receivable	(31,087)	(161,290)
Prepaid expenses and other assets	(28,116)	(1,726)
Grants and miscellaneous receivables	(668,136)	(86,877)
Accounts payable and accrued expenses	75,380	20,096
Allocations payable	(93,219)	22,646
Deferred rent payable	(51,699)	(10,906)
Deferred revenue	<u>25,000</u>	<u>-</u>
Net cash from operating activities	9,874	(154,682)
Cash flows from investing activities		
Net cash and cash equivalents received from acquisition (Note 13)	204,808	-
Purchase of equipment	(8,334)	-
Proceeds from sale of investments	312,795	125,946
Purchases of investments	<u>(396,390)</u>	<u>(86,405)</u>
Net cash from investing activities	112,879	39,541
Cash flows from financing activities		
Borrowings on line of credit	-	90,000
Payments on line of credit	(92,000)	(155,000)
Deferred revenue – PPP funding	<u>-</u>	<u>323,000</u>
Net cash from financing activities	<u>(92,000)</u>	<u>258,000</u>
Net change in cash and cash equivalents	30,753	142,859
Cash and cash equivalents, beginning of period	<u>563,006</u>	<u>420,147</u>
Cash and cash equivalents, end of period	<u>\$ 593,759</u>	<u>\$ 563,006</u>
Supplemental disclosures of cash flow information		
Stock contributions	\$ 3,105	\$ 3,974
In-kind contributions	188,060	241,505
Cash paid for interest	1,829	4,382
Supplemental noncash disclosures:		
Pledges receivable, net *	\$ 66,762	
Property and equipment, net *	2,798	
Accounts payable and accrued expenses *	(600)	

* See Note 13 regarding non-cash transactions included in the acquisition.

See accompanying notes to financial statements

NOTE 1 – NATURE OF ACTIVITIES

Nature of Activities: After a century of service, United Way of the Bluegrass (UWBG) still provides the resources, expertise, vision, and leadership to help bring community-driven goals to life. Since 1921 we have been tackling the region's most pressing needs. As our community and organization have evolved, many obstacles remain today for thousands of families across Central Kentucky. That is why we continue to fight for the Basic Needs, Education and Financial Stability of every person in our community. Our community needs us, and we must LIVE UNITED despite the challenges we are facing today. Now more than ever, our neighbors are relying on UWBG, and with the support of our community and partners we can impact more families, build stronger neighborhoods, and lift up our region for another 100 years. United we fight. United we win.

UWBG fights for the Basic Needs, Education and Financial Stability of every person in Central Kentucky. UWBG looks at the big picture and convenes the people, resources and partnerships needed to find long-term solutions to help more children and families succeed. Last year, over 4,000 kids were served through educational advancement programs, 3,200 families had their taxes prepared and filed at no cost, so they could maximize their return and build assets, and more than 1,000 people received employment training. UWBG fights for a better Bluegrass.

United Way of the Bluegrass is a leader and motivator of change. We are constantly evaluating the greatest needs and opportunities of our communities in order to make lasting change and uphold the highest level of efficiency and impact for our programs and partners. Based on feedback from our donors and supporters, our community believes that United Way must focus efforts on serving and addressing the basic needs of our community in order to remove barriers that often stand in the way of community and family success. Recent census data shows that over 50,000 working families in the Bluegrass are living at or near poverty. The issues surrounding these working families are affecting the entire community.

United Way convenes the private, business, faith and non-profit communities, because we know that together, we can accomplish more. When more of our families succeed and thrive, we all win. When more students are ready for kindergarten on the first day of school or graduate prepared for college or career, we are ensuring that our communities will be stronger, safer and more viable for future generations. United Way has committed to three key drivers for community and economic success as we work to help more families become self-sufficient: Basic Needs, Education and Financial Stability. We believe that poverty should never be a reason that a child doesn't succeed in school or that a family cannot meet their basic needs or achieve the dream of financial stability. Our Mission is simple, but powerful: United Way of the Bluegrass wants everyone in Central Kentucky to have the opportunity to live their best lives. To live better, we must Live United.

UWBG is supported by year-round fundraising efforts including approximately 250 employee giving campaigns, a robust \$1 million major gifts campaign, planned giving strategic initiative, and event based fundraising. Additional dollars are raised for specific programs such as Sweet Dreams, 9/11 Memorial Project, etc.

Program services provided by UWBG include:

Supporting Community Programs: UWBG helps create opportunities for a better life for all. We make strategic investments in programs serving low-income and underserved Central Kentuckians in the areas of Education, Income, and Basic Needs. We also serve as an incubator for new programs, and a convener of partnerships of agencies seeking to improve lives by working together. UWBG serves ten Central Kentucky communities including: Anderson, Bourbon, Clark, Fayette, Franklin, Jessamine, Madison, Montgomery, Scott and Woodford Counties. UWBG is a leader and motivator of change for long-term solutions for Central Kentucky communities. We invest donor dollars into programs that are making a difference and supporting low-income and underserved families and children. We have developed systems to evaluate the quality and success of the programs and partners that our investors help fund, so that they can be assured that their dollars will have maximum impact on their community. We believe that our communities can only affect long-term positive change by working together and

(Continued)

UNITED WAY OF THE BLUEGRASS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 – NATURE OF ACTIVITIES (Continued)

living united. We are proud to serve as a vehicle through which members of our community can join together and make a powerful impact on the education, income, and basic needs of our community.

WayPoint: WayPoint Centers are the next step in the evolution of delivery of non-profit-based health and human services in Lexington. UWBG's WayPoint strategy was born out of an in-depth analysis of our regional community and current demographics, and a meaningful understanding of what our community needs to evolve into a better, more resilient Bluegrass. WayPoint's mission is to create a One-Stop access point for families and individuals, and to provide vital programming to people living in underserved neighborhoods and communities of color. WayPoint Centers coordinate an ecosystem of partners and programs to have the greatest impact on local families from a physical and place-based anchor in their communities. UWBG has launched its inaugural three (3) WayPoint Centers in neighborhoods across our region where our help is needed most. The three centers are located in 1) Lexington's West End (Black and Williams Recreational Center), 2) Lexington's East End (temporarily in the Charles Young Recreational Center) and 3) in Paris, KY at the Bourbon Paris YMCA. Our team of community impact specialists meet participants where they are on their journey forward and provide personalized support to help stabilize individuals in crisis, move families toward self-sufficiency, and create innovative solutions to break the cycle of generational poverty.

WayPoint Centers are a place where the community can go to lean on a trusted neighbor and access exceptional services. WayPoint Centers will help stabilize, grow, and empower every person and family, no matter their current financial situation or zip code.

United Way-AIRS 2-1-1: United Way of the Bluegrass 211 connects people with resources that are available in their community via phone, chat, text messaging, mobile apps and the 211 website. 211 helps thousands of people in Central Kentucky each year. In addition to the work 211 is doing in Central Kentucky, the contact center has contracts that have expanded the reach of the UWBG 2-1-1 program. In partnership with the Cabinet for Health and Family Services for their Kynect Resources platform, UWBG 2-1-1 has gone live with the remainder of counties in Kentucky that didn't previously have 2-1-1 service. 2-1-1 is now available to all Kentuckians! Efforts are ongoing in partnership with other local 2-1-1 providers and UWKY to promote the service across the commonwealth.

Volunteerism: UWBG helps refer and match volunteer interests to appropriate volunteer opportunities available through UWBG programs or community partners. Opportunities are available on a one-time or ongoing basis and include annual events like United Way Day of Action, Read Across the Bluegrass, and our annual pajama and book drive, Sweet Dreams. UWBG works with corporate partners and volunteers to identify interests and volunteer activities that best align with their Corporate Social Responsibility plans. Last year, 160,643 hours were served by UWBG volunteers and partners.

Central Kentucky Economic Empowerment Program (CKEEP): The Central Kentucky Economic Empowerment Program (CKEEP) is a coalition, led by United Way of the Bluegrass that partners with the IRS to provide free tax preparation to low-income families, raise awareness about the Earned Income Tax Credit (EITC) and help families build assets in the Lexington region. CKEEP is a coalition member of the Kentucky Asset Success Initiative (KASI) which is the overarching Volunteer Income Tax Assistance (VITA) initiative for 80 counties in the state of Kentucky. United Way of the Bluegrass serves as the VITA grant recipient and fiscal agent for KASI and its five regional coalitions.

Thanks to the work of hundreds of volunteer tax preparers with our VITA program, families are able to save their much-needed money while strengthening our overall economy. Each year, millions of dollars are lost by hard-working families in the Bluegrass who do not file for their Earned Income Tax Credit (EITC) during tax time. The IRS estimates that approximately 20 to 25 percent of those eligible for the credit do not claim it because they don't know they are eligible for it, they don't know how to claim it, or they don't know where to go for assistance. Our goal is to make eligible households aware of the credit and help them claim it without having to pay for tax preparation and filing services.

(Continued)

UNITED WAY OF THE BLUEGRASS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 – NATURE OF ACTIVITIES (Continued)

The free tax preparation provided by CKEEP and its volunteer tax preparers offers immediate savings to Central Kentuckians. This past tax season, our CKEEP volunteers alone dedicated over 5,500 hours of return preparation that resulted in \$4.5 million in tax refunds with \$1.6 million of that being the refundable Earned Income Tax Credit. Across all of our VITA sites, almost 3,200 returns were prepared.

Support services include:

Resource Development: Resource Development staff plan, direct, and raise financial resources for UWBG through a variety of income sources, including the annual corporate and employee campaigns, major gifts initiative, planned and deferred giving, supplemental fundraising and grant acquisition. In addition, marketing staff oversee year-round communications with donors and the general public as well as event management and public relations activities.

Organizational Administration: Organizational Administration directs the internal operation of UWBG, coordinates and manages programs designed to meet goals and objectives at the direction of the Board of Directors and directs and controls financial systems and assets of UWBG.

Coronavirus Response Fund: Across Central Kentucky, UWBG is responding to the COVID-19 pandemic by connecting people to critical resources and up-to-date, accurate information through 2-1-1. We are responding by investing additional resources into our community to support our most vulnerable neighbors and communities who are disproportionately impacted by the COVID-19 pandemic.

For nearly 100 years UWBG has been focused on the underlying social problems in the Bluegrass, and those problems are now magnified. UWBG will continue to fight for every person in Central Kentucky while our Commonwealth and nation continue to fight COVID-19.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of UWBG have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, net assets have been grouped into the following two categories:

Net assets without donor restrictions are not subject to donor-imposed stipulations. Net assets without restrictions may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions are net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature, whereby there are stipulations that can be fulfilled by actions of UWBG pursuant to those stipulations or that expire by the passage of time, while others are perpetual in nature that neither expire by the passage of time nor can be fulfilled or otherwise removed by UWBG.

Estimates in the Financial Statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000 per financial institution. Additionally, for purposes of the statement of cash flows, UWBG considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At various times throughout the year, UWBG had cash deposited at a financial institution in excess of federally insured limits of \$250,000.

(Continued)

UNITED WAY OF THE BLUEGRASS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments: Investments are recorded at fair value based on available market values as of June 30, 2021 and 2020. Unrealized and realized gains and losses are recorded in the statement of activities.

Pledges Receivable: Pledges, less an allowance for uncollectible amounts, are recorded as receivables in the period made. The allowance for uncollectible pledges is based upon UWBG's past experience, a review of current outstanding pledges and current economic conditions. Pledges are written off when collection efforts will produce no additional collections.

UWBG receives pledges from corporations and individuals primarily located in Fayette, Anderson, Bourbon, Clark, Franklin, Jessamine, Madison, Montgomery, Scott and Woodford counties. Although UWBG has many diverse pledges from donors, a substantial portion of its donors' ability to give is somewhat dependent on the economic conditions of the counties in which it operates.

Property and Equipment: Assets acquired are stated at cost, or in the case of donated assets, at fair value on the date of donation. UWBG capitalizes items with a cost or fair value at acquisition of \$1,000 or greater. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets or for leasehold improvements, the lease term if shorter.

Allocations Payable: Agency allocations are expensed and recorded as allocations payable when approved by UWBG's Board of Directors each year. Allocations are generally paid to agencies from July through June, and the unpaid amounts as of June 30 are recorded as allocations payable. Donor designated amounts that have not been paid to agencies as of June 30 are also recorded as part of allocations payable.

Contributions: Contributions received and unconditional promises to give are recorded as revenue without donor restrictions or revenue with donor restrictions depending on the existence of donor restrictions and the nature of such restrictions, if they exist.

UWBG operates its fundraising campaign practices and solicitation efforts such that the focus is on both current period and future allocations. Accordingly, all pledges received are classified as net assets without donor restrictions, unless a donor has restricted the funds for a particular purpose or time period. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions received which have been designated by the donor and over which UWBG does not have variance power, are presented as a reduction of contributions and a reduction in allocations to agencies in the statement of activities. These contributions pass through UWBG as agency transactions to the designated recipient.

Grants and Contracts: UWBG receives grants and contracts for various projects and programs. Grants and contracts are recorded as contributions or exchange transactions and are administered through United Way as part of the normal course of business.

Functional Expenses: Expenses have been classified as program services, organizational administration and resource development, based on actual direct expenditures and cost allocations based upon actual time and effort.

Impairment of Long-Lived Assets: On an ongoing basis, UWBG reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may be overstated. UWBG recognizes impairment losses if the undiscounted cash flows expected to be generated are less than the carrying value of the related asset. If impaired, the assets are adjusted to fair value based on the discounted cash flows.

(Continued)

UNITED WAY OF THE BLUEGRASS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes: UWBG is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, UWBG has been determined not to be a private foundation under Section 509(a) of the Internal Revenue Code.

A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

UWBG does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. UWBG recognizes interest and/or penalties related to income tax matters in income tax expense. UWBG did not have any amount accrued for interest and penalties at June 30, 2021 or 2020.

In-Kind Contributions: Volunteers have donated substantial amounts of time toward the annual campaign and the various community activities; however, no amounts of donated volunteer services have been included in the financial statements as these services did not enhance a nonfinancial asset or require specialized skills. Donated property is recorded in the financial statements at its fair value when received. During the years ended June 30, 2021 and 2020, donated goods and services of \$188,060 and \$241,505, respectively, were recognized as revenues and recorded as program and support services expenses.

Adoption of New Accounting Standard: In May 2014, the FASB issued ASU 2014-09 Revenue from Contracts with Customers (Topic 606). The amendments in this Update provide a more robust framework for addressing revenue issues, remove inconsistencies and weaknesses in revenue requirements, improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, provide more useful information to users of financial statements through improved disclosure requirements, and simplify the preparation of financial statements by reducing the number of requirements to which an entity must refer. The Organization applied the amendments in this ASU for the year ended June 30, 2021 using a retrospective method of application. There were no material changes to the recognition or presentation of revenue as a result of the application of ASU 2014-09. As a result, no cumulative effect adjustment was recorded upon adoption.

COVID-19 Impacts: In December 2019, the novel strain of coronavirus spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Organization could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity will depend on future developments which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions required to contain the coronavirus. The Organization has not included any contingencies in the financial statements specific to this issue.

In April 2020, the Organization applied for and obtained a Paycheck Protection Program (PPP) Loan under a program offered by the United States Small Business Administration (SBA) in the amount of \$323,000. The Organization accounted for the PPP Loan as a conditional contribution under ASC 958-605. The conditional contribution of \$323,000 was recorded as a liability (deferred revenues) on the June 30, 2020 statement of financial position. As of June 30, 2021, the entity deemed that substantially all conditions to recognize revenue had been met, resulting in recognition of grant revenue for \$323,000. The Organization obtained full forgiveness for the PPP Loan and related interest from the SBA on November 2, 2021.

(Continued)

UNITED WAY OF THE BLUEGRASS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2021, to determine the need for any adjustments to and/or disclosures within the financial statements for the year ended June 30, 2021. Management performed their analysis through February 17, 2022, the date the financial statements were available to be issued.

Effective July 1, 2021, UWBG's Board approved agency allocations totaling approximately \$1,218,000 which will be paid between July 1, 2021 and June 30, 2022.

Effective November 2, 2021, formal forgiveness was received for the full amount of the PPP loan.

NOTE 3 – INVESTMENTS

At June 30, 2021 and 2020, the fair value of investments consisted of the following:

	<u>2021</u>	<u>2020</u>
Exchange Traded Funds		
Domestic Equity funds- ETFs	\$ 960,577	\$ 652,074
Developed International Equity funds- ETFs	113,331	201,941
Emerging Markets Equity funds- ETFs	67,385	88,306
Mutual funds		
Real estate	110,632	58,958
Fixed income equities	467,644	291,541
Alternative strategies	<u>93,589</u>	<u>64,414</u>
Total	<u>\$ 1,813,158</u>	<u>\$ 1,357,234</u>

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in UWBG's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

This guidance establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date. The fair values of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges.
- Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

(Continued)

UNITED WAY OF THE BLUEGRASS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 3 – INVESTMENTS (Continued)

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

UWBG's investments, which include exchange traded funds and mutual funds, totaled \$1,813,158 and \$1,357,234 at June 30, 2021 and 2020, respectively, and are classified as Level 1. The fair values of these investments are based upon quoted prices for identical assets in active markets that the entity has the ability to access as of the measurement date.

NOTE 4 – PROPERTY AND EQUIPMENT

UWBG's property and equipment and related accumulated depreciation at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Furniture, fixtures and equipment	\$ 55,147	\$ 65,161
Less accumulated depreciation	<u>(48,062)</u>	<u>(64,742)</u>
Net property and equipment	<u>\$ 7,085</u>	<u>\$ 419</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was respectively \$4,467 and \$280.

NOTE 5 – NET ASSETS WITHOUT DONOR RESTRICTIONS DESIGNATED BY THE BOARD OF DIRECTORS

Net assets without donor restrictions of \$646,065 and \$497,442 have been designated by the UWBG Board of Directors at June 30, 2021 and 2020, respectively. Of these balances, \$627,836 and \$470,163 have been designated to the endowment by the UWBG Board of Directors at June 30, 2021 and 2020, respectively.

The designation of net assets without donor restrictions for future agency allocations varies from year to year due to the timing of allocation approvals by UWBG's Board of Directors.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$1,040,880 and \$306,643 at June 30, 2021 and 2020, respectively, are related to various purpose-restricted grants.

Net assets with donor restrictions of \$90,000 at June 30, 2021 and 2020, represent net assets with donor restrictions in the endowment.

Net assets of \$515,475 and \$283,363 for the years ended June 30, 2021 and 2020, respectively, have been released from net assets with donor restrictions due to the satisfaction of donor imposed purpose restrictions.

(Continued)

UNITED WAY OF THE BLUEGRASS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 7 – PENSION PLANS

UWBG has a 401(k) profit-sharing plan for all full-time employees that are 21 years of age or older and have at least one year of service. Each participant can contribute at least 1% but no more than 12% of his or her annual salary. UWBG will make a matching contribution of up to 3% of the employee's annual contribution. UWBG also contributes a discretionary percentage of each eligible employee's monthly contribution, whether or not the employee has elected to participate in the Plan. The discretionary contribution for the year ended June 30, 2021 and 2020 was 3%. The employee is always 100% vested in the employee account, and is 100% vested in the employer account after three years of service. UWBG contributed \$78,157 and \$74,477 for the years ended June 30, 2021 and 2020, respectively.

NOTE 8 – OPERATING LEASE

On October 13, 2020, UWBG entered into a new lease agreement for office space which expires on December 31, 2027. The following is a schedule by year of the future minimum rental payments required under this lease:

Fiscal year ending June 30	
2022	\$ 97,737
2023	102,882
2024	103,950
2025	109,890
2026	111,375
Thereafter	<u>169,290</u>
	<u>\$ 695,124</u>

Rent expense recognized was \$41,371 and \$101,831 for the years ended June 30, 2021 and 2020, respectively.

NOTE 9 – ENDOWMENT COMPOSITION

UWBG's endowment includes both donor-restricted endowment funds and funds designed by the Board of Directors to function as endowments. As required by applicable standards, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. UWBG's endowment policy allows investment earnings allocated for use during the same year they are earned to be classified as net assets without donor restrictions.

(Continued)

UNITED WAY OF THE BLUEGRASS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 9 – ENDOWMENT COMPOSITION (Continued)

Endowment net asset composition by type of fund is as follows at June 30, 2021 and 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>2021</u>			
Donor restricted endowment funds	\$ -	\$ 90,000	\$ 90,000
Board-designated funds	<u>627,836</u>	<u>-</u>	<u>627,836</u>
	<u>\$ 627,836</u>	<u>\$ 90,000</u>	<u>\$ 717,836</u>
<u>2020</u>			
Donor restricted endowment funds	\$ -	\$ 90,000	\$ 90,000
Board-designated funds	<u>470,163</u>	<u>-</u>	<u>470,163</u>
	<u>\$ 470,163</u>	<u>\$ 90,000</u>	<u>\$ 560,163</u>

Changes in endowment net assets for the fiscal year ended June 30, 2021 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets, beginning of year	\$ 470,163	\$ 90,000	\$ 560,163
Investment return:			
Realized and unrealized gain on investments, net	146,251	-	146,251
Investment income	<u>11,422</u>	<u>-</u>	<u>11,422</u>
Total investment return	157,673	-	157,673
Appropriation of endowment assets for expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 627,836</u>	<u>\$ 90,000</u>	<u>\$ 717,836</u>

Changes in endowment net assets for the fiscal year ended June 30, 2020 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets, beginning of year	\$ 488,181	\$ 90,000	\$ 578,181
Investment return:			
Realized and unrealized gain on investments, net	221	-	221
Investment income	<u>12,761</u>	<u>-</u>	<u>12,761</u>
Total investment return	12,982	-	12,982
Appropriation of endowment assets for expenditures	<u>(31,000)</u>	<u>-</u>	<u>(31,000)</u>
Net assets, end of year	<u>\$ 470,163</u>	<u>\$ 90,000</u>	<u>\$ 560,163</u>

(Continued)

NOTE 9 – ENDOWMENT COMPOSITION (Continued)

Interpretation of UPMIFA: The Board of Directors of UWBG has interpreted the Kentucky enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, UWBG classifies as net assets without donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Return Objectives and Risk Parameters: UWBG has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that UWBG must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives: The purpose of the endowment is to facilitate donors' desires to make substantial long-term gifts to the community and to develop a new and significant source of revenue for UWBG. In doing so, the endowment will provide a secure, long-term source of funds to: (i) stabilize agency funding during periods of below normal annual campaigns; (ii) fund special grants; (iii) ensure long-term growth; (iv) enhance UWBG's ability to meet changing community needs in both the short and long-term; and (v) support the administrative expenses of UWBG as deemed appropriate.

Spending Policy and How the Investment Objectives Relate to Spending Policy: The spending policy determined each year by the Board of Directors will be based on the total return of the assets invested in the endowment (income plus capital appreciation) and will be determined as a percentage of the total market value of the endowment based on a three year rolling average of total endowment fund market value. The market value will be based on the June 30 balance each year. The percentage determined each year will range between 0% and 5% of that three year rolling average. The funds will be available to spend as soon as practically possible after July 1st. The funds will be used to supplement on-going budgetary needs as determined by the Board of Directors. In addition, the Board may approve additional endowment spending beyond the stated policy as they deem appropriate and prudent.

The Board of Directors always has the authority to revert the designation of net assets without restrictions and to use them for other purposes in connection with the charter of UWBG and governing laws, regulations and Board policies.

NOTE 10 - GOVERNMENT GRANT ACTIVITIES

During fiscal year 2016, UWBG received \$400,000 of federal grant funds from the Office of Community Service at the U.S. Department of Health and Human Services, which has been recorded as grant revenue on the statement of activities. UWBG used this federal grant funding to service eligible individuals and provided a match. If the individuals served are subsequently determined to not meet certain eligibility or other criteria during the audit period, a portion of these funds may be required to be returned to the grantor. During the fiscal year ended June 30, 2021, the audit period expired thus management believes there is no possibility of a return of funds.

(Continued)

UNITED WAY OF THE BLUEGRASS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 11 – LINE OF CREDIT

UWBG has a \$500,000 line of credit with a commercial bank at a fixed interest rate of 2.25% and 4.50% as of June 30, 2021 and 2020, respectively. The line of credit has a maturity date of September 28, 2021. The line of credit was obtained on September 28, 2017 and is secured by the investment accounts of UWBG. Borrowings against the line of credit were \$0 and \$92,000 at June 30, 2021 and 2020, respectively. Subsequent to year end, the line of credit was renewed with a maturity date of September 27, 2022. The remaining terms stayed the same.

NOTE 12 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 593,759	\$ 563,006
Pledges receivable	692,282	716,935
Investments	<u>1,813,158</u>	<u>1,357,234</u>
Subtotal	3,099,199	2,637,175
Less: Donor restricted net assets	<u>(1,130,880)</u>	<u>(396,643)</u>
Total	<u>\$ 1,968,319</u>	<u>\$ 2,240,532</u>

Endowment funds consist of donor-restricted endowments and funds designed by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The Board-designated endowment as of June 30, 2021 and 2020 was \$627,836 and \$470,163, respectively. These Board-designated endowment funds are subject to an annual spending rate of 0 to 5 percent as described in Note 9. Although management does not intend to spend from this Board-designated endowment (other than amounts appropriated for general expenditures as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary and are included above.

As part of the liquidity plan, management structures financial assets to be available as the general expenditures, liabilities and other obligations become due. In addition, UWBG invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.

To help manage unanticipated liquidity needs, a committed line of credit of \$500,000 can be drawn upon (see Note 11).

(Continued)

UNITED WAY OF THE BLUEGRASS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 13 – ACQUISITION OF UNITED WAY OF FRANKLIN COUNTY

As of August 1, 2020, United Way of Franklin County merged into UWBG. The operations of the United Way of Franklin County are expected to be predominantly supported by contributions and returns on investment and as such no goodwill was recognized in this transaction. No consideration was paid for the Organization and on the acquisition date, the net identifiable assets acquired were \$273,768. The assets acquired are not subject to donor restrictions.

The following is a description of the assets acquired and the liabilities assumed on August 1, 2020:

Cash and cash equivalents	\$ 204,808
Pledges receivable, net	66,762
Property and equipment, net	2,798
Accounts payable and accrued expenses	<u>(600)</u>
Net contribution	<u>\$ (273,768)</u>

SUPPLEMENTAL SCHEDULE

UNITED WAY OF THE BLUEGRASS, INC.
SUPPLEMENTAL SCHEDULE OF ALLOCATIONS TO AGENCIES
Year ended June 30, 2021

<u>Agency</u>	<u>Total Allocations</u>
4Kids, a Faith Community Partnership	\$ 590
Access Soup Kitchen & Men's Shelter	20,288
AccuTran Industries	12,150
AIDS Volunteers, Inc.	16,200
American Red Cross, Bluegrass Chapter	26,450
Ampersand (Bluegrass Rape Crisis Center)	374
Anderson County Adult Education and Literacy Council	119
Apprisen formerly Consumer Credit Counseling Service of the Midwest Inc.	12,150
Arbor Youth Services formerly M.A.S.H.	24,300
Big Brothers/Big Sisters of the Bluegrass	16,200
Bluegrass Community Action Partnership	60,402
Bluegrass Council of the Blind	16,200
Bourbon County 4-H Council	186
Boy Scouts of America, Blue Grass Council	12,031
Capital City Activity Center	28,092
CASA of Madison County	1,311
CASA of the Bluegrass	9,237
Catholic Charities of the Diocese of Lexington	18,063
Central Kentucky Riding of Hope	609
Child Care Council of Kentucky, Inc.	52,650
Child Development Centers of the Bluegrass, Inc	36,450
Chrysalis House, Inc.	16,200
Clark County Association For Handicapped Citizens	99
Clark County Children's Council	8,775
Clark County Community Services, Inc.	12,150
Clark County Homeless Coalition	12,150
Clark County Public Schools: Food Pantry	1,023
CPAAA	1,753
D.O.V.E.S. of Gateway	8,100
DuBois Community Center	52
Elizabeth's Village	150
Emergency Community Food Pantry of Franklin County	12,965
Faith Feeds of Kentucky, Inc.	3,000
Fayette County Public Schools	1,771
First Bracktown- BMW Academy	2,704
Food Pantry for Woodford County, Inc. (FPWC)	9,720
Franklin County Run/Walk	300
Gathering Place Mission	1,278
Georgetown/Scott Co. Immigrant Initiative	101
Girl Scouts – Wilderness Road Council	23,375
God's Outreach Madison Food Bank	3,325
GreenHouse17	44,550
Growing Together Preschool, Inc.	32,400
Habitat for Humanity of Madison & Clark Counties	88
Hope Center, Inc.	28,350
Jessamine County Adult Education	2,755
Jubilee Jobs of Lexington	12,150
KDVA	25,024
Kentucky River Foothills Development Council, Inc.	12,150
Kidney Health Alliance of Kentucky	4,050
Kings Center	21,609
Lamp and Light Ministries, Inc	190
Legal Aid of the Bluegrass	17,281
LexGives Panhandling Project	10,360

(Continued)

UNITED WAY OF THE BLUEGRASS, INC.
 SUPPLEMENTAL SCHEDULE OF ALLOCATIONS TO AGENCIES
 Year ended June 30, 2021

<u>Agency</u>	<u>Total Allocations</u>
Lexington Forward Grant – BG Community	\$ 2,500
Lexington Women’s Club Clothing Center	8,100
Mentors & Meals	28,325
Mission Lexington	8,100
Montgomery County 4-H Council	144
Montgomery County Education Foundation	88
NAMIKY	1,303
NewSong Counseling Center, Inc.	61
Nursing Home Ombudsman Agency of the Bluegrass, Inc.	38,452
Office of Kentucky Legal Services dba Kentucky Equal Justice Center	12,960
One Parent Scholar House	407
Paris-Bourbon County YMCA	8,100
Partners in Education	163
Pathways	16
Post Clinic, Inc.	8,100
Project Read, Madison County Literacy Council	163
Reading Camp	392
Refuge for Women	8,100
Scott United Ministries – A.M.E.N. House	16,200
Shepherd’s House, Inc.	819
Simon House	20,500
Sterling Community Food Coalition	141
Sunshine Center	25,932
Surgery on Sunday	1,965
Telford Community Center YMCA	16,200
The Beacon of Hope Emergency Shelter, Inc	141
The Cleveland Home dba Life Adventure Center of the Bluegrass	4,050
The Foster Care Council of Lexington, KY	229
The Hearing & Speech Center	28,350
The Nest – Center for Women, Children, and Families	41,715
The Salvation Army of Frankfort	45,379
The Salvation Army, Bluegrass Area Chapter	89,100
Thorn Hill Education Center (FLIP Program)	15,375
Tweens Nutrition and Fitness Coalition	90
UK Cares – UK Campaign – Human Needs Fund	11,161
United Promise	4,000
Urban League of Lexington-Fayette County	80,190
UUWBG/Toyota Born Learning	10,065
UWBG/Toyota Born Learning	2,000
Visually Impaired Preschool Services, Inc.	16,200
White House Clinic	238
Women United	1,500
Woodford County 4-H Council	4,455
Woodford County Reading Club	500
Woodford County Theatrical Arts	42
Woodford County Woman’s Club “Coats and Shoes for Kids”	5,000
Y.M.C.A. of Central Kentucky	85,300
Out of Area	<u>182,142</u>
	<u>\$ 1,528,453</u>