

Financial Statements and
Supplemental Schedule

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

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Supplemental Schedule

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Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of United Way of the Bluegrass, Inc. ("UWBG") which comprise the statements of financial position as June 30, 2024 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UWBG as of June 30, 2024, and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UWBG and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements as of and for the year ended June 30, 2023, was audited by Strothman and Company, who merged with LBMC, PC as of November 1, 2023, and whose report dated October 24, 2023, expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UWBG's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about UWBG's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of allocations 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

LBMC, PC

Louisville, Kentucky
January 3, 2025

Statements of Financial Position

United Way of the Bluegrass, Inc.

	June 30	
	2024	2023
Assets		
Cash and cash equivalents	\$ 176,429	\$ 253,568
Investments	1,974,078	1,774,812
Pledges receivable		
Annual campaign (net of allowance for credit losses of \$250,000 (2024) and \$445,000 (2023))	1,021,156	1,395,268
Prepaid expenses	22,231	24,026
Other assets		
Grants and other miscellaneous receivables	268,718	540,322
Property and equipment, net	987,590	301,805
Right-of-use leased assets - operating, net	656,272	740,274
	<u>1,912,580</u>	<u>1,582,401</u>
Total Other Assets	<u>1,912,580</u>	<u>1,582,401</u>
	<u>Total Assets</u>	<u>Total Assets</u>
	<u>\$ 5,106,474</u>	<u>\$ 5,030,075</u>
Liabilities and Net Assets		
Liabilities		
Line of credit	\$ 500,000	\$ -
Allocations payable	102,498	142,666
Accounts payable and accrued expenses	148,740	261,584
Deferred revenue	9,484	30,000
Lease liabilities - operating	758,790	828,650
	<u>1,519,512</u>	<u>1,262,900</u>
Total Liabilities	<u>1,519,512</u>	<u>1,262,900</u>
Net Assets		
Without donor restrictions		
Undesignated	2,323,753	1,262,976
Designated by Board of Directors	651,325	619,112
	<u>2,975,078</u>	<u>1,882,088</u>
Total Net Assets Without Donor Restrictions	<u>2,975,078</u>	<u>1,882,088</u>
With donor restrictions	611,884	1,885,087
	<u>611,884</u>	<u>1,885,087</u>
Total Net Assets	<u>3,586,962</u>	<u>3,767,175</u>
Total Liabilities and Net Assets	<u><u>\$ 5,106,474</u></u>	<u><u>\$ 5,030,075</u></u>

See Notes to Financial Statements

Statement of Activities

United Way of the Bluegrass, Inc.

	Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Current year campaign			
Contributions received in current period	\$ 1,888,681	\$ 398,215	\$ 2,286,896
Less amounts designated by contributors	(9,077)		(9,077)
Less provision for credit losses	91,533		91,533
	1,971,137	398,215	2,369,352
Prior year campaign			
Contributions received in current period	67,422		67,422
Total Campaigns	2,038,559	398,215	2,436,774
Special events	(318)		(318)
Grants	327,369		327,369
Nonfinancial contributions	8,214		8,214
Contract services	938,476		938,476
Non-campaign contributions	24,349		24,349
Other income	196,973		196,973
Investment income, net	38,038		38,038
Realized and unrealized gains on investments, net	239,540		239,540
Contributions released from restrictions	1,671,418	(1,671,418)	-
Total Revenue, Gains and Other Support	5,482,618	(1,273,203)	4,209,415
Allocations and Other Functional Expenses			
Program Services			
Allocations to agencies	1,160,389		1,160,389
Less amounts designated by contributors	(9,077)		(9,077)
Total Allocations to Agencies	1,151,312		1,151,312
Community impact	264,760		264,760
All other programs	1,336,764		1,336,764
Total Program Services	2,752,836		2,752,836
Support Services			
Resource development	535,073		535,073
Organizational administration	1,101,719		1,101,719
Total Support Services	1,636,792		1,636,792
Total Allocations and Other Functional Expenses	4,389,628		4,389,628
Change in Net Assets From Operating Activities	1,092,990	(1,273,203)	(180,213)
Net Assets, Beginning of Year	1,882,088	1,885,087	3,767,175
Net Assets, End of Year	\$ 2,975,078	\$ 611,884	\$ 3,586,962

See Notes to Financial Statements

Statement of Activities

United Way of the Bluegrass, Inc.

	Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Current year campaign			
Contributions received in current period	\$ 1,375,686	\$ 1,372,009	\$ 2,747,695
Less amounts designated by contributors	(65,220)		(65,220)
Less provision for credit losses	(193,905)		(193,905)
	1,116,561	1,372,009	2,488,570
Prior year campaign			
Contributions received in current period	97,115		97,115
Future year campaign			
Contributions	18,095		18,095
Total Campaigns	1,231,771	1,372,009	2,603,780
Special events	47,571		47,571
Grants	316,664		316,664
In-kind contributions	25,242		25,242
Contract services	963,234		963,234
Non-campaign contributions	876,692		876,692
Other income	88,385		88,385
Investment income, net	38,466		38,466
Realized and unrealized losses on investments, net	147,167		147,167
Contributions released from restrictions	547,572	(547,572)	-
Total Revenue, Gains and Other Support	4,282,764	824,437	5,107,201
Allocations and Other Functional Expenses			
Program Services			
Allocations to agencies	1,409,620		1,409,620
Less amounts designated by contributors	(65,220)		(65,220)
Total Allocations to Agencies	1,344,400		1,344,400
Community impact	212,358		212,358
All other programs	1,345,089		1,345,089
Total Program Services	2,901,847		2,901,847
Support Services			
Resource development	447,094		447,094
Organizational administration	1,096,420		1,096,420
Total Support Services	1,543,514		1,543,514
Total Allocations and Other Functional Expenses	4,445,361		4,445,361
Change in Net Assets From Operating Activities	(162,597)	824,437	661,840
Net Assets, Beginning of Year	2,044,685	1,060,650	3,105,335
Net Assets, End of Year	\$ 1,882,088	\$ 1,885,087	\$ 3,767,175

See Notes to Financial Statements

Statement of Functional Expenses

United Way of the Bluegrass, Inc.

Year Ended June 30, 2024

	Program Services			Support Services			Total
	Allocations and Community Impact	All Other Programs	Total Program Services	Resource Development	Organizational Administration	Total Support Services	
Allocations to agencies	\$ 1,160,389		\$ 1,160,389				\$ 1,160,389
Less amounts designated by contributors	(9,077)		(9,077)				(9,077)
	1,151,312		1,151,312				1,151,312
Salaries	175,398	\$ 846,310	1,021,708	\$ 314,194	\$ 540,112	\$ 854,306	1,876,014
Employee benefits	29,126	125,507	154,633	53,521	61,388	114,909	269,542
Payroll taxes	12,430	53,552	65,982	23,386	53,538	76,924	142,906
	216,954	1,025,369	1,242,323	391,101	655,038	1,046,139	2,288,462
Professional fees	-	6,005	6,005	30,582	40,957	71,539	77,544
Office expense	1,285	20,926	22,211	6,057	38,769	44,826	67,037
Printing and publications	153	-	153	-	925	925	1,078
Information technology	17,300	140,984	158,284	42,430	46,270	88,700	246,984
Occupancy	25,324	22,706	48,030	27,449	67,801	95,250	143,280
Advertising and promotions	732	18,111	18,843	14,455	55,695	70,150	88,993
Travel	452	18,888	19,340	2,836	14,650	17,486	36,826
Meetings and events	462	68,442	68,904	2,583	12,320	14,903	83,807
Staff development	(867)	3,152	2,285	827	4,944	5,771	8,056
Membership dues	-	680	680	1,398	45,310	46,708	47,388
Interest expense	-	-	-	-	28,695	28,695	28,695
Insurance	-	155	155	-	12,222	12,222	12,377
Miscellaneous	196	9,246	9,442	5,197	68,716	73,913	83,355
Depreciation expense	2,271	-	2,271	4,542	9,407	13,949	16,220
Nonfinancial contributions	498	2,100	2,598	5,616	-	5,616	8,214
	47,806	311,395	359,201	143,972	446,681	590,653	949,854
Total Functional Expenses	\$ 1,416,072	\$ 1,336,764	\$ 2,752,836	\$ 535,073	\$ 1,101,719	\$ 1,636,792	\$ 4,389,628

See Notes to Financial Statements

Statement of Functional Expenses

United Way of the Bluegrass, Inc.

Year Ended June 30, 2023

	Program Services			Support Services			Total
	Allocations and Community Impact	All Other Programs	Total Program Services	Resource Development	Organizational Administration	Total Support Services	
Allocations to agencies	\$ 1,409,620		\$ 1,409,620				\$ 1,409,620
Less amounts designated by contributors	(65,220)		(65,220)				(65,220)
	1,344,400		1,344,400				1,344,400
Salaries	118,300	\$ 795,492	913,792	\$ 329,985	\$ 543,155	\$ 873,140	1,786,932
Employee benefits	15,525	113,821	129,346	56,283	66,924	123,207	252,553
Payroll taxes	7,546	51,311	58,857	24,875	45,300	70,175	129,032
	141,371	960,624	1,101,995	411,143	655,379	1,066,522	2,168,517
Professional fees	47,529	66,385	113,914	70	68,479	68,549	182,463
Office expense	1,523	15,720	17,243	4,099	45,700	49,799	67,042
Printing and publications	279	-	279	-	426	426	705
Information technology	15,102	91,787	106,889	7,831	24,132	31,963	138,852
Occupancy	-	10,107	10,107	-	142,317	142,317	152,424
Advertising and promotions	3,316	21,771	25,087	8,404	58,255	66,659	91,746
Travel	1,478	4,560	6,038	3,370	14,124	17,494	23,532
Meetings and events	854	154,612	155,466	4,095	8,941	13,036	168,502
Staff development	431	-	431	117	3,325	3,442	3,873
Membership dues	101	-	101	1,100	49,925	51,025	51,126
Insurance	-	-	-	-	9,422	9,422	9,422
Miscellaneous	68	281	349	254	14,134	14,388	14,737
Depreciation expense	306	-	306	611	1,861	2,472	2,778
Nonfinancial contributions	-	19,242	19,242	6,000	-	6,000	25,242
	70,987	384,465	455,452	35,951	441,041	476,992	932,444
Total Functional Expenses	\$ 1,556,758	\$ 1,345,089	\$ 2,901,847	\$ 447,094	\$ 1,096,420	\$ 1,543,514	\$ 4,445,361

See Notes to Financial Statements

Statements of Cash Flows

United Way of the Bluegrass, Inc.

	Year Ended June 30	
	2024	2023
Cash Flows From Operating Activities		
Change in net assets	\$ (180,213)	\$ 661,840
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	16,220	2,778
Amortization of right-to-use asset - operating leases	84,002	87,377
Realized and unrealized gains on investments, net	(239,540)	(147,167)
Provision for credit losses	(195,020)	78,396
Changes in		
Pledges receivable	569,132	(663,707)
Prepaid expenses and other assets	1,795	(409)
Grants and miscellaneous receivables	271,604	36,721
Accounts payable and accrued expenses	(112,844)	119,754
Allocations payable	(40,168)	(10,459)
Deferred revenue	(20,516)	(38,667)
Operating leases	(69,860)	(57,013)
Net Cash Provided By Operating Activities	84,592	69,444
Cash Flows From Investing Activities		
Payments on construction in progress	(679,302)	(300,416)
Purchases of furniture, fixtures and equipment	(22,703)	-
Proceeds from sale of investments	1,374,302	457,756
Purchases of investments	(1,334,028)	(513,593)
Net Cash Used In Investing Activities	(661,731)	(356,253)
Cash Flows From Financing Activity		
Proceeds from line of credit	500,000	-
Net Change in Cash and Cash Equivalents	(77,139)	(286,809)
Cash and Cash Equivalents Beginning of Year	253,568	540,377
Cash and Cash Equivalents End of Year	\$ 176,429	\$ 253,568
Supplemental Disclosures of Cash Flow Information		
Stock contributions	\$ 17,010	\$ 15,098
Nonfinancial contributions	\$ 8,214	\$ 25,242
Cash paid for interest	\$ 16,220	

See Notes to Financial Statements

Notes to Financial Statements

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note A--Nature of Activities

After a century of service, United Way of the Bluegrass, Inc. ("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 20,700 kids were served through educational advancement programs, 4,400 tax returns were prepared and filed at no cost, so they could maximize their return and build assets, and more than 900 people received employment training. UWBG fights for a better Bluegrass.

UWBG 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.

UWBG 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. UWBG 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.

Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note A--Nature of Activities--Continued

UWBG is supported by year-round fundraising efforts including approximately 200 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 Basic Needs, Education, and Financial Stability. 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 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 (Marksbury Family Waypoint Center at Historic Palmer Pharmacy) and 3) in Paris, Kentucky at the Bourbon Paris YMCA. In the year ended June 30, 2024, Centro de San Juan Diego WayPoint Center opened and the WayPoint Center in Paris, Kentucky was closed. 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.

Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note A--Nature of Activities--Continued

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--UWBG 2-1-1 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 United Way of Kentucky 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, 138,350 hours were served by UWBG volunteers and partners.

Central Kentucky Economic Empowerment Program--The Central Kentucky Economic Empowerment Program ("CKEEP") is a coalition, led by UWBG 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 89 counties in the state of Kentucky. UWBG 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 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

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note A--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 6,250 hours of return preparation that resulted in approximately \$5,500,000 in tax refunds with approximately \$1,800,000 of that being the refundable Earned Income Tax Credit. Across all of our VITA sites, almost 4,400 returns were prepared utilizing approximately 6,250 volunteer hours.

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.

Note B--Significant Accounting Policies

UWBG follows accounting principles generally accepted in the United States of America ("GAAP") as outlined in the Financial Accounting Standards Board ("FASB") *Accounting Standards Codification* ("ASC"). Significant accounting policies are as follows:

Basis of Accounting--The financial statements of UWBG have been prepared on the accrual basis of accounting in accordance with GAAP. 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.

Continued

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note B--Significant Accounting Policies--Continued

Estimates in the Financial Statements--The preparation of financial statements in accordance with GAAP 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, support 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 ended June 30, 2024 and 2023, UWBG had cash deposited at a financial institution in excess of federally insured limits of \$250,000.

Investments--Investments are recorded at fair value based on available market values as of June 30, 2024 and 2023. Unrealized and realized gains and losses are recorded in the statement of activities. Dividends are recorded on the ex-dividend date.

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.

Impairment of Long-Lived Assets--Management of UWBG reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss would be recognized 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. There were no charges for impairment of long-lived assets during the fiscal years ended June 30, 2024 and 2023.

Continued

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note B--Significant Accounting Policies--Continued

Property and Equipment--Property and equipment acquired are recorded 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. Expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. Any resulting gains and losses are reflected in the statements of activities. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets. Depreciation expense for the years ended June 30, 2024 and 2023 was \$16,220 and \$2,778, respectively. Estimated useful lives are as follows:

Furniture, fixtures and equipment	3 – 10 years
Building	39 years

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.

Continued

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note B--Significant Accounting Policies--Continued

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.

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 ("IRC") 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 IRC.

GAAP requires management to evaluate tax positions taken and recognize a tax liability if it is more likely than not that an uncertain tax position would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken and has concluded that as of June 30, 2024 and 2023, there are no uncertain tax position taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. UWBG is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Nonfinancial 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, 2024 and 2023, donated goods and services of \$8,214 and \$25,242, respectively, were recognized as revenues and recorded as program and support services expenses.

Leases--FASB ASC 842, *Leases*, requires that leases with a lease term of more than 12 months be classified as either finance or operating leases. Leases are classified as finance leases when UWBG expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, UWBG is not expected to consume a major part of the economic benefits of assets classified as operating leases. The lease classification affects both the pattern and presentation of expense recognized in the statement of activities, the categorization of assets and liabilities in the statements of financial position, and classification of cash flows in the statements of cash flows.

Continued

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note B--Significant Accounting Policies--Continued

Total lease cost consists of two components; amortization expense related to the write-off of right-of-use ("ROU") assets, and interest expense from lease liabilities.

For financing leases, total lease cost is recorded on an accelerated basis whereby interest expense is recorded using the effective interest method and ROU assets are amortized on a straight-line basis over the remaining lease term. For operating leases, total lease cost is measured and recorded on a straight-line basis over the lease term.

Lease liabilities are measured and recorded at the present value of future lease payments using a discount rate. Because UWBG generally does not have access to the rate implicit in each lease, lease liabilities are measured using the incremental borrowing rate as the discount rate. The incremental borrowing rate is the rate that would be paid to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment. UWBG uses a portfolio approach to apply a single incremental borrowing rate of 5.75% to its office space leases.

ROU assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date.

Subsequent Events--Events that occur after the statement of 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 conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes to financial statements. Management evaluated the activity of UWBG through January 3, 2025.

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note C--Investments

The fair value of investments consisted of the following:

	June 30	
	2024	2023
Exchange Traded Funds		
Domestic Equity funds	\$ 429,008	\$ 363,309
Developed International Equity funds	91,227	136,164
Emerging Markets Equity funds		
Mutual funds		
Domestic	538,103	696,466
Developed International Equity funds	63,999	-
Emerging Markets Equity funds	376,728	142,109
Fixed income equities	475,013	436,764
	<u>\$ 1,974,078</u>	<u>\$ 1,774,812</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.

Continued

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note C--Investments--Continued

- 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.

UWBG's investments, which include exchange traded funds and mutual funds, totaled \$1,974,078 and \$1,774,812 at June 30, 2024 and 2023, 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.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while UWBG believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment securities are exposed to various risk, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near time would result in material changes in the fair value of investments and net assets of UWBG.

Note D--Property and Equipment

UWBG's property and equipment and related accumulated depreciation consist of the following:

	June 30	
	2024	2023
Furniture, fixtures and equipment	\$ 70,395	\$ 47,692
Buildings	979,718	-
Less accumulated depreciation	<u>(62,523)</u>	<u>(46,303)</u>
	987,590	1,389
Construction in progress	<u>-</u>	<u>300,416</u>
	<u><u>\$ 987,590</u></u>	<u><u>\$ 301,805</u></u>

Continued

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note D--Property and Equipment--Continued

Effective February 9, 2023, the Lexington-Fayette Urban County Government (“LFUCG”) donated a building to the UWBG, hereafter referred to as the “Palmer Building”. The Palmer Building’s estimated fair value is \$190,000. This donation contains a covenant, whereby UWBG is required to retain ownership of the Palmer Building for no less than 10 years and requires UWBG to improve, maintain and preserve the property in good condition and working order. Furthermore, UWBG is required to utilize the Palmer Building for the general benefit of the community through the provision of health and human services programs. In the event that UWBG fails to comply with these covenants, UWBG will be required to pay LFUCG the estimated fair value of \$190,000.

Note E--Pledges Receivable

Pledges receivable consist of the following unconditional promises to give:

	June 30	
	2024	2023
Gross pledges receivable	\$ 1,288,646	\$ 1,875,031
Less: allowance for uncollectible pledges	(250,236)	(445,256)
Less: unamortized discount on future contributions	(17,254)	(34,507)
	<u>\$ 1,021,156</u>	<u>\$ 1,395,268</u>

Gross pledges receivable at June 30, 2024 and 2023 are due according to the following schedule:

	June 30	
	2024	2023
Less than one year	\$ 1,040,483	\$ 1,367,538
One to five years	248,163	507,493
	<u>\$ 1,288,646</u>	<u>\$ 1,875,031</u>

Pledges receivable in future periods are reflected at the present value of the estimated future cash flows using a discount rate of 4.5%.

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note F--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 compensation, whether or not the employee has elected to participate in the Plan. The discretionary contribution for the year ended June 30, 2024 and 2023 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 \$29,015 and \$42,248 for the years ended June 30, 2024 and 2023, respectively.

Note G--Board of Directors Designations

Net assets without donor restrictions of \$651,325 and \$619,112 have been designated by the UWBG Board of Directors at June 30, 2024 and 2023, respectively and the entire balance has been designated to the endowment.

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note H--Net Assets With Donor Restrictions

Changes in net assets with donor restrictions during the year ended June 30, 2024 is as follows:

	June 30 2023	Contributions and Grants	Released from Restriction	June 30 2024
Restricted for Specific Purpose:				
Sweet Dreams Project	\$ 23,237	\$ 20,096	\$ (34,815)	\$ 8,518
Young Leaders Society (YLS)	1,107	90	(30)	1,167
PNC Countdown to Kindergarten	1,576	-	-	1,576
Novelis Stem Grant	4,461	-	-	4,461
School Supplies	3,827	490	(3,032)	1,285
WayPoint Centers	690,870	30,546	(258,875)	462,541
Palmer House	1,026,395	161,254	#####	-
UWBG/Toyota Born Learning	8,500	-	-	8,500
CEDD-Scott/Bourbon County	4,912	-	-	4,912
United Promise	5,442	-	-	5,442
Disaster Relief	1,906	-	-	1,906
Winburn/FCPS Athletic Grant	433	-	-	433
Lace Up for Learning	5,032	4,200	(9,334)	(102)
VITA Grant	15,849	176,804	(171,873)	20,780
Bank On Bluegrass	465	-	-	465
LexGives Panhandling Projects	1,075	4,735	(5,810)	-
Total Restricted for Specified Purposes	1,795,087	398,215	#####	521,884
Restricted in Perpetuity:				
Endowment	90,000	-	-	90,000
	<u>\$ 1,885,087</u>	<u>\$ 398,215</u>	<u>\$ #####</u>	<u>\$ 611,884</u>

Continued

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note H--Net Assets With Donor Restrictions--Continued

Changes in net assets with donor restrictions during the year ended June 30, 2023 is as follows:

	<u>July 1 2022</u>	<u>Contributions and Grants</u>	<u>Released from Restrictions</u>	<u>June 30 2023</u>
Restricted for Specified Purposes:				
Sweet Dreams Project	\$ 20,286	\$ 51,162	\$ (48,211)	\$ 23,237
Young Leaders Society (YLS)	3,027	1,490	(3,410)	1,107
PNC Countdown to Kindergarten	1,576	-	-	1,576
Novelis Stem Grant	4,461	-	-	4,461
School Supplies	2,932	2,665	(1,770)	3,827
WayPoint Centers	891,331	74,541	(275,002)	690,870
Palmer House		1,026,599	(204)	1,026,395
UWBG/Toyota Born Learning	10,500	-	(2,000)	8,500
CEDD-Scott/Bourbon County	4,912	-	-	4,912
United Promise	5,049	393	-	5,442
Disaster Relief	-	8,630	(6,724)	1,906
Winburn/FCPS Athletic grant	433	-	-	433
Lace Up for Learning	5,030	6,000	(5,998)	5,032
VITA grant	13,558	171,547	(169,256)	15,849
Bank on Bluegrass	7,061	25,000	(31,596)	465
LexGives Panhandling projects	494	3,982	(3,401)	1,075
Total Restricted for Specified Purposes	970,650	1,372,009	(547,572)	1,795,087
Restricted in Perpetuity:				
Endowment	90,000	-	-	90,000
	<u>\$ 1,060,650</u>	<u>\$ 1,372,009</u>	<u>\$ (547,572)</u>	<u>\$ 1,885,087</u>

Note I--Leases

Amounts recognized as ROU assets related to operating leases are separately disclosed on the statements of financial position, while related lease liabilities are separately disclosed in liabilities section of the statements of financial position.

Continued

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note I--Leases--Continued

ROU Assets consisted of the following:

	June 30	
	2024	2023
Right-of-Use Assets:		
Cost	\$ 952,779	\$ 952,779
Less: accumulated amortization	296,507	212,505
	<u>\$ 656,272</u>	<u>\$ 740,274</u>

The lease liabilities - operating consist of the following:

	June 30	
	2024	2023
Lease liabilities - operating	\$ 828,650	\$ 877,411
Repayments of operating lease liability	(69,860)	(57,013)
Asset acquired through operating leases	-	8,252
	<u>\$ 758,790</u>	<u>\$ 828,650</u>
Operating leases implied	<u>\$ 45,910</u>	<u>\$ 49,307</u>
Operating Lease Costs	<u>\$ 115,770</u>	<u>\$ 106,114</u>

UWBG leases office space as needed on terms ranging from one year to seven years and that include extension terms of one to ten years. UWBG leases office space for three locations under operating leases requiring a combined monthly payment of \$9,984. UWBG also leases a printer with a monthly payment of \$159.

Continued

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note I--Leases--Continued

Quantitative Lease Information: A summary of total lease cost, by component, and other lease information for the year ended June 30, 2024 and 2023 is as follows:

	Year Ended June 30	
	2024	2023
Operating lease cost	\$ 115,770	\$ 106,114
Short-term lease expense	12,912	35,399
Total Lease Expense	\$ 128,682	\$ 141,513
Weighted-average remaining lease term:		
Operating leases (in years)	8.46	9.27
Weighted-average discount rate:		
Operating leases	5.75%	5.75%

A summary of future lease payments for operating leases reconciled to the lease liability recorded at June 30, 2024 is as follows:

<u>Fiscal Year Ending June 30</u>	<u>Operating Leases</u>
2025	\$ 111,793
2026	113,278
2027	114,763
2028	113,336
2029	112,860
Thereafter	395,010
Total Future Lease Payments	961,040
Less effects of discounting	(202,250)
Lease Liabilities - Operating	\$ 758,790

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note J--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 are classified and reported as donor restricted. Funds designated by the Board of Directors to function as an endowment are classified and reported based on the existence or absence of Board 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.

Endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>June 30, 2024</u>			
Donor restricted endowment funds		\$ 90,000	\$ 90,000
Board-designated funds	\$ 651,325		651,325
	<u>\$ 651,325</u>	<u>\$ 90,000</u>	<u>\$ 741,325</u>
	Without Donor Restrictions	With Donor Restrictions	Total
<u>June 30, 2023</u>			
Donor restricted endowment funds		\$ 90,000	\$ 90,000
Board-designated funds	\$ 619,112		619,112
	<u>\$ 619,112</u>	<u>\$ 90,000</u>	<u>\$ 709,112</u>

Continued

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note J--Endowment Composition--Continued

Changes in endowment net assets for the fiscal year ended June 30, 2024 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets, Beginning of Year	\$ 619,112	\$ 90,000	\$ 709,112
Investment return			
Realized and unrealized gain on investments, net	92,685		92,685
Investment income	<u>14,528</u>		<u>14,528</u>
Total Investment Return	107,213		107,213
Appropriation of endowment assets for expenditures	<u>(75,000)</u>		<u>(75,000)</u>
Net Assets, End of Year	<u>\$ 651,325</u>	<u>\$ 90,000</u>	<u>\$ 741,325</u>

Changes in endowment net assets for the fiscal year ended June 30, 2023 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets, Beginning of Year	\$ 549,368	\$ 90,000	\$ 639,368
Investment return			
Realized and unrealized gain on investments, net	57,926		57,926
Investment income	<u>11,818</u>		<u>11,818</u>
Total Investment Return	<u>69,744</u>		<u>69,744</u>
Net Assets, End of Year	<u>\$ 619,112</u>	<u>\$ 90,000</u>	<u>\$ 709,112</u>

Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note J--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.

Continued

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note J--Endowment Composition--Continued

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 K--Line of Credit

UWBG has a \$500,000 line of credit with a commercial bank at a variable interest rate of 1% under the prime rate (7.5% as of June 30, 2024). The line of credit has a maturity date of September 28, 2025. The line of credit is secured by the investment accounts of UWBG. There were no borrowings against the line of credit as of June 30, 2023 and \$500,000 in borrowings outstanding as of June 30, 2024.

Note L--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:

	June 30	
	2024	2023
Financial Assets		
Cash and cash equivalents	\$ 176,429	\$ 253,568
Pledges receivable	1,021,156	1,395,268
Investments	1,974,078	1,774,812
	<hr/>	<hr/>
Total Financial Assets at End of Year	3,171,663	3,423,648
Less those available for general expenditures within one year due to:		
Donor restrictions for specified purposes	(521,884)	(1,795,087)
Donor restricted for endowment	(90,000)	(90,000)
	<hr/>	<hr/>
	\$ 2,559,779	\$ 1,538,561
	<hr/> <hr/>	<hr/> <hr/>

Continued

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note L--Liquidity and Availability--Continued

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, 2024 and 2023 was \$651,325 and \$619,112, respectively. These Board-designated endowment funds are subject to an annual spending rate of 0% - 5% as described in Note J. 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 K).

Note M--Nonfinancial Contributions

Nonfinancial contributions during the year ended June 30, 2024 were as follows:

	Program Services			Support Services			Total
	Allocations and Community Impact	All Other Programs	Total Program Services	Resource Development	Organizational Administration	Total Support Services	
Sweet Dreams Gift Bags	\$ -	\$ 2,100	\$ 2,100	\$ -		\$ -	\$ 2,100
Giveaways	498	-	498	-		-	498
Printing services	-	-	-	2,500		2,500	2,500
Other	-	-	-	3,116		3,116	3,116
	<u>\$ 498</u>	<u>\$ 2,100</u>	<u>\$ 2,598</u>	<u>\$ 5,616</u>	<u>\$ -</u>	<u>\$ 5,616</u>	<u>\$ 8,214</u>

Continued

Notes to Financial Statements--Continued

United Way of the Bluegrass, Inc.

June 30, 2024 and 2023

Note M--Nonfinancial Contributions--Continued

Nonfinancial contributions during the year ended June 30, 2023 were as follows:

	Program Services			Support Services			
	Allocations and Community Impact	All Other Programs	Total Program Services	Resource Development	Organizational Administration	Total Support Services	Total
Meeting space		\$ 14,152	\$ 14,152	\$ -		\$ -	\$ 14,152
Food for golf classic		-	-	4,378		4,378	4,378
Printing services		-	-	6,000		6,000	6,000
Other		562	562	150		150	712
	<u>\$ -</u>	<u>\$ 14,714</u>	<u>\$ 14,714</u>	<u>\$ 10,528</u>	<u>\$ -</u>	<u>\$ 10,528</u>	<u>\$ 25,242</u>

Nonfinancial contributions were valued using estimated average U.S. prices of identical or similar products or service using pricing data of similar products or services under a “like-kind” methodology, considering the utility of the services and goods at the time of their contribution. No nonfinancial contributions were restricted by donors. UWBG does not sell donated nonfinancial gifts and only uses donated services and goods for its own program or supporting activities.

Supplemental Schedule

Supplemental Schedule of Allocations to Agencies

United Way of the Bluegrass, Inc.

Year Ended June 30, 2024

Agency	Total Allocations
4Kids, a Faith Community Partnership	\$ 490
ACCESS Soup Kitchen & Men's Shelter	140
AIDS Volunteers	479
AMEN House, Inc.	10,000
American Red Cross, Bluegrass Chapter	24,000
Ampersand	154
Anderson County Backpack Buddies, Inc.	105
Apprisen	10,000
Arbor Youth Services formerly M.A.S.H.	37,500
Big Brothers Big Sisters of the Bluegrass	552
Bluegrass Community & Technical College Foundation	2,000
Bluegrass Council of the Blind, Inc.	17,500
Bourbon County 4-H Council	5,000
Boy Scouts of America, Blue Grass Council	20,000
Capital City Activity Center	22,500
CASA of Lexington, Inc.	12,500
CASA of Madison County	11,100
CASA of the Bluegrass	10,000
Catholic Charities of the Diocese of Lexington	5,357
Central Kentucky Riding For Hope	168
Centro de San Juan Diego	77,000
Child Care Council of Kentucky, Inc.	23,000
Child Development Centers of the Bluegrass	210
Chrysalis House	2,500
Clark County Association for Handicapped Citizens	102
Clark County Community Services	136
Clark County Homeless Coalition	5,000
Community Action Council	1,343
D.O.V.E.S. of Gateway, Inc.	24,000
DuBois Community Center	4,000
Elizabeth's Village	252
Emergency Community Food Pantry of Franklin County	7,500
Faith Feeds of Kentucky, Inc. dba GleanKY	22,000

Continued

Supplemental Schedule of Allocations to Agencies--Continued

United Way of the Bluegrass, Inc.

Year Ended June 30, 2024

<u>Agency</u>	<u>Total Allocations</u>
Fayette County Public Schools	5,000
First Bracktown - BMW Academy	161
Food Pantry for Woodford County, Inc. (FPWC)	1,500
Franklin County Women and Family Shelter	6,000
Gathering Place Mission	22,000
Georgetown/Scott Co. Immigrant Initiative	35
Girl Scouts of Kentucky's Wilderness Road Council	10,000
God's Outreach Madison County Food Bank	334
God's Pantry Food Bank	1,000
GreenHouse17 (formerly Bluegrass Domestic Violence Program)	30,000
Growing Together Preschool	494
Habitat for Humanity International Inc (Scott County Habitat for Humanity)	2,008
Hope Center, Inc.	15,000
Hope's Embrace	5,000
Human Needs Fund - UK Hospital	10,177
Jessamine County Adult Education	9,500
Jessamine County Schools	223
Jubilee Jobs of Lexington	15,000
Kaden's Cause	12,000
Kentucky Equal Justice Center	16,442
Kentucky YMCA Youth Association	5,000
Kidney Health Alliance of Kentucky	155
Kings Center	18,000
Legal Aid of the Bluegrass	315
LIGHT Center Corporation	10,000
Mentors&Meals	7,000
Mission Lexington	5,000
Montgomery County 4-H Council	4,000
NAMIKY	1,388
New Life Day Center	350
NewSong Counseling Center, Inc.	254
Nursing Home Ombudsman Agency of the Bluegrass	10,000
Paris Bourbon YMCA	150,000

Continued

Supplemental Schedule of Allocations to Agencies--Continued

United Way of the Bluegrass, Inc.

Year Ended June 30, 2024

<u>Agency</u>	<u>Total Allocations</u>
Reading Camp of the Episcopal Diocese of Lexington	116
Refuge for Women	986
Repairers Lexington	10,000
Rowland Arts Center	5,000
Salvation Army of Frankfort	2,000
Shepherd's House	61
Simon House	25,000
Sterling Community Food Coalition	3,500
Sunshine Center	1,178
Surgery on Sunday	867
Telford Community Center YMCA	13,400
The Cleveland Home dba Life Adventure Center of the Bluegrass	5,000
The Foster Care Council of LexKy	3,000
The Hearing & Speech Center	30,000
The Kentucky Center for Grieving Children and Families	10,000
The Nest - Center for Women, Children and Families	10,000
The Salvation Army	9,151
Thorn Hill Education Center	25,000
Urban League	70,000
Visually Impaired Preschool Services	10,000
Voices of Hope	6,040
Wanda Joyce Robinson Foundation	3,000
White House Clinics	35
Woodford County 4-H Council	71
Woodford County Theatrical Arts	357
Woodford County Woman's Club "Coats and Shoes for Kids"	5,000
YMCA (of Central Kentucky)	55,000
Lexgives Panhandling Project	4,735
VITA	35,914
Out of Area	12,318
Pass through allocations paid directly by the donor	73,736
	<u>\$ 1,160,389</u>

See Independent Auditors' Report