

**UNITED WAY OF HOPKINSVILLE
AND CHRISTIAN COUNTY, INC.**

**Report on Audit of Financial Statements
Year Ended June 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Hopkinsville and Christian County, Inc.
Hopkinsville, Kentucky

Opinion

We have audited the financial statements of United Way of Hopkinsville and Christian County, Inc. (a nonprofit organization), which comprise the statement of financial position as of 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 accompanying financial statements present fairly, in all material respects, the financial position of United Way of Hopkinsville and Christian County, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are required to be independent of United Way of Hopkinsville and Christian County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 United way of Hopkinsville and Christian County, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. 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 United Way of Hopkinsville and Christian County, Inc.'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 United Way of Hopkinsville and Christian County, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Direct Agency Support is presented for the 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

To the Board of Directors of
United Way of Hopkinsville and Christian County, Inc.
January 20, 2026
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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.

Calhoun & Company

Calhoun & Company, PLLC
Hopkinsville, Kentucky
January 20, 2026

UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

Assets

Current Assets

Cash and Cash Equivalents	\$	366,286
Restricted Cash and Cash Equivalents		459,515
Prepaid Expenses		1,935
Pledges Receivable, Net		243,015
Interest and Other Receivables		8,773
Total Current Assets		1,079,524

Noncurrent Assets

Investments		261,119
Right of Use Asset, Net of Amortization		95,956
Property and Equipment, Net		2,201
Total Noncurrent Assets		359,276

Total Assets	\$	1,438,800
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Liabilities

Current Liabilities

Accounts Payable	\$	3,068
Accrued Payroll Liabilities		2,371
Compensated Absences		6,070
Lease Liability - Current Portion		8,435
Designations Payable - Conditional Contributions		113,121
Tornado Relief Payable		66,371
Total Current Liabilities		199,436

Non-Current Liabilities

Lease Liability - Non-Current Portion		87,521
Total Non-Current Liabilities		87,521

Total Liabilities		286,957
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Net Assets

Without Donor Restrictions		560,326
With Donor Restrictions		591,517
Total Net Assets		1,151,843

Total Liabilities and Net Assets	\$	1,438,800
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UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions	\$ 35,154	\$ 591,517	\$ 626,671
Interest Income	44,509	-	44,509
Gain on Investments	45,827	-	45,827
Other Income and Fees	24,788	-	24,788
Total Revenue and Support	<u>150,278</u>	<u>591,517</u>	<u>741,795</u>
Net Assets Released from Restrictions	<u>529,932</u>	<u>(529,932)</u>	<u>-</u>
Total Revenues and Support	<u>680,210</u>	<u>61,585</u>	<u>741,795</u>
Expenses:			
Program Services			
Contributions Allocations	357,812	-	357,812
Other Program Services	117,680	-	117,680
Total Program Services	<u>475,492</u>		<u>475,492</u>
Support Services			
Management & General	16,874	-	16,874
Fundraising	65,607	-	65,607
Total Support Services	<u>82,481</u>	<u>-</u>	<u>82,481</u>
Total Expenses	<u>557,973</u>	<u>-</u>	<u>557,973</u>
Change in Net Assets	<u>122,237</u>	<u>61,585</u>	<u>183,822</u>
Net Assets at Beginning of Year, Restated	<u>438,089</u>	<u>529,932</u>	<u>968,021</u>
Net Assets at End of Year	<u>\$ 560,326</u>	<u>\$ 591,517</u>	<u>\$ 1,151,843</u>

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

UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Supporting Services		Total
		Management and general	Fundraising	
Agency Allocations	\$ 357,812	\$ -	\$ -	\$ 357,812
Salaries & Wages	54,321	8,730	33,951	97,002
Employee Benefits	2,585	416	1,616	4,617
Payroll Taxes	4,068	654	2,542	7,264
Telephone and Internet	288	46	180	514
Postage	1,601	257	1,000	2,858
Building Occupancy	7,749	1,246	4,844	13,839
Office Supplies	2,554	410	1,596	4,560
Printing and Publications	1,845	297	1,153	3,295
Conferences and travel	551	88	344	983
Depreciation	509	82	319	910
Campaign Supplies	352	57	220	629
Meals and Entertainment	1,148	185	718	2,051
Insurance	1,725	277	1,078	3,080
Repairs and Maintenance	1,969	317	1,231	3,517
Dues, Fees, and Subscriptions	2,570	413	1,606	4,589
Advertising	2,521	405	1,575	4,501
Special Events and Projects	2,184	351	1,365	3,900
Pledge Processing Fees	1,386	223	867	2,476
Professional Services	14,490	2,329	9,057	25,876
Payments to Affiliated Agencies	7,115	-	-	7,115
Awards	553	89	345	987
Miscellaneous	5,596	2	-	5,598
	<u>\$ 475,492</u>	<u>\$ 16,874</u>	<u>\$ 65,607</u>	<u>\$ 557,973</u>

UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities	
Changes in Net Assets	\$ 183,822
Adjustments to Reconcile Changes in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	910
Change in Assets and Liabilities	
(Increase) Decrease in Pledges Receivable	(26,031)
(Increase) Decrease in Other Receivables	32
(Increase) Decrease in Prepaid Expenses	(1,440)
Increase (Decrease) in Accounts Payable	(963)
Increase (Decrease) in Accrued Liabilities	(1,423)
Increase (Decrease) in Compensated Absences	2,042
Increase (Decrease) in Designations Payable	(10,682)
Increase (Decrease) in Tornado Relief Payable	(73,117)
	73,150
Net Cash Provided (Used) by Operating Activities	73,150
Cash Flows from Investing Activities	
Purchase of Fixed Assets	(2,123)
(Increase) Decrease in Investments	(29,677)
	(31,800)
Net Cash Provided (Used) by Investing Activities	(31,800)
Cash Flows from Financing Activities	
	-
Net Increase (Decrease) in Cash and Cash Equivalents	41,350
Cash, Cash Equivalents, and Restricted Cash as of Beginning of Year, Restated	784,451
Cash, Cash Equivalents, and Restricted Cash as of End of Year	\$ 825,801

UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
STATEMENT OF CASH FLOWS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Supplemental Disclosure of Cash Flow Information:

Reconciliation of Cash and Cash Equivalent Accounts:

Cash and Cash Equivalents	\$ 366,286
Cash and Cash Equivalents - Restricted	<u>459,515</u>
Net Cash and Cash Equivalents	<u><u>\$ 825,801</u></u>

There were no noncash investing or financing activities for the year ended June 30, 2024.

Cash Paid During the Year Ended June 30, 2024 for:

Interest Paid	<u>\$ -</u>
Income Taxes	<u><u>\$ -</u></u>

UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization

United Way of Hopkinsville and Christian County, Inc. (the “Organization”) is a nonprofit agency governed by a board of directors. The Organization’s mission is to focus the caring power of the community to improve people’s lives. The Organization receives contributions from the general public and distributes them directly to community-supported agencies.

Financial Statement Presentation

The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) and in conformity with the standards of the Financial Accounting Standards Board (FASB) ASC 958. Accordingly, net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Net assets and changes therein are classified and reported as follows:

Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization are considered net assets without donor restrictions. These net assets may be used at the discretion of the Organization’s management and the board of directors to carry out the activities of the Organization.

With Donor Restrictions: Net assets that are subject to stipulations imposed by donors and grantors are considered net assets with donor restrictions. Some donor restrictions are temporary in nature: those will be met by actions of the Organization of the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without a donor restrictions in the statement of activities.

Contributed Services, Facilities, and Goods

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization receives a significant number of volunteer hours per year.

The Organization records the value of donated facilities and goods as contributions using estimated fair value at date of receipt.

Revenue Recognition

Contributions are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 – Nature of Organization and Significant Accounting Policies, Continued

Contributions received which have been designated by the donor to be given to another organization are included in total campaign results but are not included in revenues on the accompanying statement of activities. These contributions pass through the Organization as agency transactions to the designated recipient.

Cash, Cash Equivalents, and Restricted Cash

For purposes of the statements of cash flows, the Organization considers all unrestricted undesignated highly liquid investments not subject to withdrawal penalties to be cash equivalents.

Restricted cash consists of campaign contributions received during the year for the next year's operations as well as cash contributions received in prior years designated to specific counties.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change of net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use in the reporting period in which the income and gains are recognized).

Fair Value Measurement

The Organization's financial instruments consist of cash and cash equivalents, pledges receivable, accounts receivable, stocks/options, accounts payable, designations payable and accrued liabilities.

The carrying amount of cash and cash equivalents, pledges receivable, accounts payable, designations payable and accrued liabilities approximate their fair value due to the short-term nature of such instruments.

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization places its cash and cash equivalents with high quality financial institutions. At times, cash and cash equivalents balances may exceed federally insured limits. On June 30, 2024, all of the Organization's bank balances were covered by Federal Deposit Insurance.

Pledges Receivable

Pledges Receivable consist of pledges received during the prior year fall campaign. They are recorded separately and an allowance for uncollectible on these receivables is recorded.

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

UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 – Nature of Organization and Significant Accounting Policies, Continued

Property and Equipment

Purchase property and equipment are capitalized at cost. Minor additions and repairs are expenses in the year incurred. The threshold for capitalization is \$1,000. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with restrictions are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions over the useful life when the donated assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to seven years.

Right of Use Assets

The Organization recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Organization is a lessee in two operating leases for real estate and one operating lease for office equipment. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Organization uses its incremental borrowing rate or the risk-free rate as determined by the US Treasury borrowing rate for the same period of time. The Organization elects to use the risk-free rate for all asset classes. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected, for all underlying classes of assets, to not recognize ROU assets and lease liability for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The lease cost is expensed as incurred.

Advertising Costs

Advertising expenses are considered direct costs and are recognized as incurred or at the first date the advertisement is released for public view. No amounts for advertising are capitalized. There was \$4,501 advertising expense for the year ended June 30, 2024.

Functional Expenses

Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to programs and supporting services based on periodic time studies.

UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 – Nature of Organization and Significant Accounting Policies, Continued

Compensated Absences

Vacation days are accrued on a monthly basis at rates based on employment level and term of employment and may be accumulated until the maximum balance is reached.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 (IRC). As such, the Organization is not taxed on income derived from its exempt functions. The Organization did not pay any income taxes, interest or penalties as a result of its tax position.

The Organization has evaluated its tax positions for all open tax year ends. Currently, the tax year ends open and subject to exemption by the Internal Revenue Service are 2021, 2022, and 2023 tax year ends. However, the Organization is not currently under audit, nor has it been contacted by any jurisdiction. Based on the evaluation of the Organization’s tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provisions for the effects of uncertain tax positions have been recorded for the fiscal year ended June 30, 2024.

Use of Estimates

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

Subsequent Events

Subsequent events have been evaluated through January 20, 2026, the date on which the financial statements were available to be issued.

Note 2 – Pledges Receivable

Unconditional promises to give consist of pledges received during the fall campaign for the succeeding year’s support uncollected at June 30, 2024. Allowance for uncollectible unconditional promises to receive are estimated at 2.93%, based on the prior three-year average, as recommended by the national organization. Beginning balance of pledge receivables was \$216,984. As of June 30, 2024, pledge receivable is as follows:

Gross Pledge Receivables	\$ 259,617
Less: allowance for uncollectible pledges	<u>(16,602)</u>
Net Pledge Receivables:	<u><u>\$ 243,015</u></u>

All pledge receivables are deemed due in less than one year.

UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Note 3 – Liquidity and Availability

Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the Statement of Financial Position as of June 30, 2024, comprise the following:

Financial Assets at Year End:

Cash and Cash Equivalents	\$ 366,286
Restricted Cash and Cash Equivalents	459,515
Pledges Receivable	243,015
Interest and Other Receivables	<u>8,773</u>
Total Financial Assets Available Within One Year	<u>1,077,589</u>
Less those Unavailable for General Expenditures within One Year:	
Designations Payable	(113,121)
Tornado Relief Payable	<u>(66,371)</u>
Total Amount Unavailable for General Expenditures Within One Year	<u>(179,492)</u>
Financial Assets Available to Meet Expenditures over the Next Twelve Months	<u><u>\$ 898,097</u></u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Excess cash is invested in short-term investments, including money market accounts and certificates of deposit. Occasionally, the board designates a portion of any operating surplus to an operating reserve, which was \$167,691 as of June 30, 2024. This fund established by the Board of Directors may be drawn upon, if necessary, to meet unexpected liquidity needs.

Note 4 – Investments

Investments, at fair market value as of June 30, 2024, are composed of the following:

	<u>Cost</u>	<u>Fair Value</u>
Cash & Cash Equivalents	\$ 18,840	\$ 18,840
Stock, Options, & Bonds	<u>183,881</u>	<u>261,119</u>
	<u><u>\$ 202,721</u></u>	<u><u>\$ 279,959</u></u>

Investment income for the year ended June 30, 2024 was comprised of interest and unrealized gains.

UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Note 5 – Fair Value Measurements

ASC 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 is those assets or liabilities measured with observable inputs of quoted prices from active markets for identical assets or liabilities.

Level 2 is those assets and liabilities measured with observable inputs other than quoted prices in an active market but for which observable market inputs are readily available.

Level 3 is those assets or liabilities measured using unobservable inputs or other assumptions.

The estimated fair value amounts have been determined based on the Organization’s assessment of available market information and appropriate valuation methodologies. The estimated fair value amounts at June 30, 2024 are:

		Significant Observable Inputs		
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Cash and Money Market	\$ 665,664	\$ 665,664	\$ -	\$ -
Certificate of Deposits	213,064	213,064	-	-
Stock, Options, & Bonds	208,192	208,192	-	-
	\$ 1,086,920	\$ 1,086,920	\$ -	\$ -

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the year ended June 30, 2024.

Note 6 – Property and Equipment

Property and equipment consist of the following:

	2024
Furniture and Fixtures	\$ 50,899
Less: Accumulated Depreciation	(48,698)
Fixed Assets, Net of Depreciation	\$ 2,201

Depreciation expense for the year ended June 30, 2024 was \$910.

Note 7 – Compensated Absences

Employees of the Organization are entitled to paid vacation days, depending on job classification, length of service and other factors. The accrued amount at June 30, 2024 was \$6,070.

UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Note 8 – Retirement Plan

The Organization currently contributes 3% of gross wages for employees, to simplified employee pension-individual retirement accounts for each eligible employee. Eligible employees must be 18 years or older and have performed services in at least one year of the immediately preceding five years. Mutual or America Life Insurance Company and American Funds administers these IRAs. The Organization’s cost associated with these retirement plans was \$2,939 for the period ended June 30, 2024.

Note 9 – Current Vulnerability Due to Unforeseen Concentrations

The Organization’s operations are funded primarily through contributions from the private sector. A major decrease in the availability of private contributions could adversely affect the Organization’s operations.

Credit risk with respect to pledges receivable is limited due to the large number of donors comprising the Organization’s base. However, a mass layoff at one or more of the local industrial plants could have a significant impact on realization of receivables.

Note 10 – Fundraising

Fundraising expenses are expensed as incurred. Most fundraising expenses are incurred for the annual campaign. For the period ending June 30, 2024, fundraising expenses were \$65,607.

Note 11 – Leases

The Organization has an obligation as a lessee for real estate with initial noncancelable terms of five years with a renewal option of five more years. The Organization classified this lease as an operating lease. The lease does not include a termination option for either party to the lease or restrictive financial or other covenants. Payments due under the lease contract include fixed payments of \$1,000. The Organization used the risk-free interest rate of 3.87%

The total lease expense related to the operating lease for the period ended June 30, 2024 was \$9,900. The expense is classified on the Statement of Activity as an operating expense.

Other information related to leases as of June 30, 2024 was as follows:

Supplemental cash flow information:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flow from operating leases	\$2,871
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Weighted average remaining lease term:

Operating leases	9.60 years
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Weighted average discount rate:

Operating leases	3.87%
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UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

Note 11 – Leases, Continued

Maturity of lease liabilities under noncancellable operating leases as of June 30, 2024 are as follows:

<u>Year Ended June 30,</u>	
2025	\$ 8,435
2026	8,767
2027	9,113
2028	9,472
2029	9,845
2030-2034	<u>50,324</u>
	<u>\$ 95,956</u>

Note 12 – Net Assets

Net assets consisted of the following as of June 30, 2024:

Net Assets Without Donor Restrictions	
Undesignated	\$ 190,592
Board Designated	<u>369,734</u>
Total Net Assets Without Donor Restrictions	560,326
Net Assets With Donor Restrictions	<u>591,517</u>
Total Net Assets	<u>\$ 1,151,843</u>

Net Assets Without Donor Restrictions consists of the following:

Undesignated – net assets not restricted by the grantor or donor and not designated by the Board of Directors. These funds are available to be used at the Board of Director’s or Management’s discretion for the general operations of the organization.

Board Designated – net assets that are designated by the Board for the purpose of sustainability and support funds in the event of future campaigns decline. These funds are available to be used when those specific purposes occur.

Net Assets With Donor Restrictions consist of pledge funds received prior to start of the campaign year they are raised for. These funds have a time restriction. They are released from restriction at the start of the next fiscal year to be awarded to various agencies.

**UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024**

Note 13 – Correction of Accounting Error

For fiscal year ended June 30, 2024, the organization made a prior period adjustment to correct an accounting error. This resulted in a portion of net assets without donor restrictions being reclassified to net assets with donor restrictions. Accordingly, this amount has been adjusted to restate net assets as of the beginning of the fiscal year.

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Beginning Net Assets as Previously Reported at June 30, 2023	\$ 968,021	\$ -
Correction of Accounting Error	<u>(529,932)</u>	<u>529,932</u>
Net Assets as Restated at July 1, 2023	<u>\$ 438,089</u>	<u>\$ 529,932</u>

SUPPLEMENTARY INFORMATION

UNITED WAY OF HOPKINSVILLE AND CHRISTIAN COUNTY, INC.
SCHEDULE OF DIRECT AGENCY SUPPORT
FOR THE YEAR ENDED JUNE 30, 2024

	Agency Support	Donor Designation	Total Remittance
Aaron McNeil House	\$ 82,518	\$ 4,555	\$ 87,073
American Red Cross	27,487	848	28,335
Armed Services YMCA	5,752	724	6,476
Boys & Girls Club	34,505	8,127	42,632
Bright Life Farm	-	4,130	4,130
Dyslexia Association	11,917	6,134	18,051
Hopkinsville Family YMCA	41,083	2,575	43,658
Imagination Library	2,282	4,399	6,681
Kentucky Legal Aid	13,664	98	13,762
Literacy Council	5,609	2,487	8,096
Meals on Wheels	14,778	3,080	17,858
Pennyrile Children's Advocacy Center	2,034	13,572	15,606
Rescue Team	-	32,849	32,849
Retired Senior Volunteer Program	2,833	167	3,000
Salvation Army	64,103	3,048	67,151
Sanctuary, Inc	15,930	10,097	26,027
St Luke Free Clinic	5,346	2,133	7,479
Trace Industries	1,523	2,228	3,751
Youth Advisory Committee	1,972	97	2,069
Caldwell County Affiliated Agencies	2,284	500	2,784
Todd County Affiliated Agencies	7,384	480	7,864
Trigg County Affiliated Agencies	14,808	390	15,198
Unaffiliated Agencies	-	18,407	18,407
Other United Way Agencies	-	450	450
	<u>\$ 357,812</u>	<u>\$ 121,575</u>	<u>\$ 479,387</u>