

An Open Letter to Accompany Rappahannock United Way's FY24 Financials:

Dear Rappahannock United Way Supporters,

November 2024

We are pleased to post our audited financial statements for Fiscal Year 2024 (FY24) which ended on June 30, 2024. We hope you will take the time to read this memo in conjunction with your review of Rappahannock United Way's (RUW) FY24 Audit.

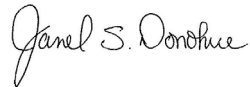
During FY24, we are happy to report that Rappahannock United Way received an "unqualified" opinion once again.

Economic uncertainty and inflation affected our campaigns and financial results during FY24. While we continued to receive support from our corporate partners, individual donors and local foundations, our campaign numbers have not yet rebounded to our pre-pandemic normal. As a result, we reported a Net Loss of \$(230,383).

We are still working hard to help the ALICE population during this difficult time, and through our Prosper Financial Assistance fund, we spent over \$164K to assist landlords to help keep people in their homes.

We could not have done all of this to move the needle on Education, Financial Stability, and Healthy Living in our community without you! We are committed to delivering the best results to you, our supporters, and to do so with the utmost transparency and integrity. We are excited about the future and are poised to make even bigger contributions to our community going forward.

With sincere appreciation for your support,



Janel S. Donohue
President

RAPPAHANNOCK UNITED WAY, INC.

FINANCIAL REPORT

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023



Rappahannock United Way

RAPPAHANNOCK UNITED WAY, INC.
FINANCIAL REPORT
FOR THE YEARS ENDED JUNE 30, 2024 and 2023

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ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

**To The Board of Directors
Rappahannock United Way, Inc.
Fredericksburg, Virginia**

Opinion

We have audited the accompanying consolidated financial statements of Rappahannock United Way, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024 and 2023, and the related consolidated 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 present fairly, in all material respects, the financial position of Rappahannock United Way, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Rappahannock United Way, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Restatement of Net Assets

As described in Note 10 to the financial statements, in 2024, Rappahannock United Way, Inc. restated beginning net asset balances for Allocation and grants payable, net. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Rappahannock United Way, Inc.'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards:

- 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 Rappahannock United Way, 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 Rappahannock United Way, 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.

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
September 18, 2024

- Financial Statements -

RAPPAHANNOCK UNITED WAY, INC.

**Statements of Financial Position
At June 30, 2024 and 2023**

Assets	2024	2023
Current assets:		
Cash and cash equivalents	\$ 631,038	\$ 590,869
Certificates of deposit	233,438	607,270
Contributions receivable, net	596,119	605,211
Other receivables	635	635
Prepaid expenses	24,159	21,972
Total current assets	\$ <u>1,485,389</u>	\$ <u>1,825,957</u>
Noncurrent assets:		
Right-of-use-assets - operating lease	\$ 34,472	\$ -
Property and equipment:		
Land	\$ 167,513	\$ 57,513
Buildings and improvements	1,041,353	1,039,220
Furniture and equipment	170,642	163,204
Sub-total	\$ <u>1,379,508</u>	\$ <u>1,259,937</u>
Accumulated depreciation	(543,754)	(510,589)
Total property and equipment, net	\$ <u>835,754</u>	\$ <u>749,348</u>
Total noncurrent assets:	\$ <u>870,226</u>	\$ <u>749,348</u>
Total assets	\$ <u><u>2,355,615</u></u>	\$ <u><u>2,575,305</u></u>
Liabilities and Net Assets		
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 231,294	\$ 162,325
Allocation and grants payable, net	282,431	375,249
Current operating lease liabilities	7,439	-
Total liabilities	\$ <u>521,164</u>	\$ <u>537,574</u>
Noncurrent liabilities:		
Noncurrent operating lease liabilities	\$ 27,103	\$ -
Total noncurrent liabilities	\$ <u>27,103</u>	\$ <u>-</u>
Total liabilities	\$ <u>548,267</u>	\$ <u>537,574</u>
Net assets		
Without donor restrictions	\$ 1,726,483	\$ 1,865,138
With donor restrictions	80,865	172,593
Total net assets	\$ <u>1,807,348</u>	\$ <u>2,037,731</u>
Total liabilities and net assets	\$ <u><u>2,355,615</u></u>	\$ <u><u>2,575,305</u></u>

The accompanying notes to financial statements are an integral part of this statement.

RAPPAHANNOCK UNITED WAY, INC.

**Statement of Activities
For the Year Ended June 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue:			
Gross campaign results - 2023/2024	\$ 1,506,462	\$ -	\$ 1,506,462
Less: Donor designations	(520,232)	-	(520,232)
Less: Provision for uncollectible pledges	(81,215)	-	(81,215)
Net campaign revenue - 2023/2024	<u>\$ 905,015</u>	<u>\$ -</u>	<u>\$ 905,015</u>
Gross campaign results - 2024/2025	\$ -	\$ 32,973	\$ 32,973
Net campaign revenue - 2023/2024	<u>\$ -</u>	<u>\$ 32,973</u>	<u>\$ 32,973</u>
Sponsorships and special events	\$ 87,759	\$ -	\$ 87,759
Less: Direct costs	(138,334)	-	(138,334)
Service fees	26,785	-	26,785
Grants and contracts	202,350	46,675	249,025
Investment income	23,558	-	23,558
In-kind program revenue	4,176	-	4,176
Miscellaneous income	7,144	-	7,144
Net assets released from restrictions:			
Satisfaction of purpose restrictions	171,376	(171,376)	-
Less: donor designations	<u>(104,973)</u>	<u>-</u>	<u>(104,973)</u>
Total public support and revenue	<u>\$ 1,184,856</u>	<u>\$ (91,728)</u>	<u>\$ 1,093,128</u>
Expenses:			
Program services:			
Grant making services	\$ 645,747	\$ -	\$ 645,747
Less: Donor designations	(585,747)	-	(585,747)
Net grant making services	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 60,000</u>
Other program services	681,604	-	681,604
Total program services	<u>\$ 741,604</u>	<u>\$ -</u>	<u>\$ 741,604</u>
Supporting services:			
Management and general	\$ 317,707	\$ -	\$ 317,707
Fundraising	264,200	-	264,200
Total supporting services	<u>\$ 581,907</u>	<u>\$ -</u>	<u>\$ 581,907</u>
Total expenses	<u>\$ 1,323,511</u>	<u>\$ -</u>	<u>\$ 1,323,511</u>
Change in net assets	\$ (138,655)	\$ (91,728)	\$ (230,383)
Net assets, beginning of year	<u>1,865,138</u>	<u>172,593</u>	<u>2,037,731</u>
Net assets, end of year	<u><u>\$ 1,726,483</u></u>	<u><u>\$ 80,865</u></u>	<u><u>\$ 1,807,348</u></u>

The accompanying notes to financial statements are an integral part of this statement.

RAPPAHANNOCK UNITED WAY, INC.

**Statement of Activities
For the Year Ended June 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue:			
Gross campaign results - 2022/2023	\$ 1,482,734	\$ -	\$ 1,482,734
Less: Donor designations	(645,988)	-	(645,988)
Less: Provision for uncollectible pledges	(86,056)	-	(86,056)
Net campaign revenue - 2022/2023	<u>\$ 750,690</u>	<u>\$ -</u>	<u>\$ 750,690</u>
Gross campaign results - 2023/2024	\$ -	\$ 7,963	\$ 7,963
Net campaign revenue - 2023/2024	<u>\$ -</u>	<u>\$ 7,963</u>	<u>\$ 7,963</u>
Sponsorships and special events	\$ 107,729	\$ -	\$ 107,729
Less: Direct costs	(49,075)	-	(49,075)
Service fees	24,914	-	24,914
Grants and contracts	325,522	75,619	401,141
Investment income	3,634	-	3,634
In-kind program revenue	10,154	-	10,154
Miscellaneous income	4,443	-	4,443
Net assets released from restrictions:			
Satisfaction of purpose restrictions	126,766	(126,766)	-
Less: donor designations	<u>(115,850)</u>	<u>-</u>	<u>(115,850)</u>
Total public support and revenue	<u>\$ 1,188,927</u>	<u>\$ (43,184)</u>	<u>\$ 1,145,743</u>
Expenses:			
Program services:			
Grant making services	\$ 713,834	\$ -	\$ 713,834
Less: Donor designations	(722,428)	-	(722,428)
Net grant making services	<u>\$ (8,594)</u>	<u>\$ -</u>	<u>\$ (8,594)</u>
Other program services	717,036	-	717,036
Total program services	<u>\$ 708,442</u>	<u>\$ -</u>	<u>\$ 708,442</u>
Supporting services:			
Management and general	\$ 302,824	\$ -	\$ 302,824
Fundraising	240,673	-	240,673
Total supporting services	<u>\$ 543,497</u>	<u>\$ -</u>	<u>\$ 543,497</u>
Total expenses	<u>\$ 1,251,939</u>	<u>\$ -</u>	<u>\$ 1,251,939</u>
Change in net assets	\$ (63,012)	\$ (43,184)	\$ (106,196)
Net assets, beginning of year, as restated	<u>1,928,150</u>	<u>215,777</u>	<u>2,143,927</u>
Net assets, end of year, as restated	<u><u>\$ 1,865,138</u></u>	<u><u>\$ 172,593</u></u>	<u><u>\$ 2,037,731</u></u>

The accompanying notes to financial statements are an integral part of this statement.

Statement of Functional Expenses
For the Year Ended June 30, 2024

The accompanying notes to financial statements are an integral part of this statement.

RAPPAHANNOCK UNITED WAY, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services			Supporting Services		
	Grant Making Services	All Other Programs	Total	Management and General	Fundraising	Total
Allocations/awards	\$ 713,834	\$ -	\$ 713,834	\$ -	\$ -	\$ 713,834
Less: Donor designations	(722,428)	-	(722,428)	-	-	(722,428)
Total allocations/awards	<u>\$ (8,594)</u>	<u>\$ -</u>	<u>\$ (8,594)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,594)</u>
Salaries	\$ -	\$ 438,140	\$ 438,140	\$ 219,592	\$ 147,411	\$ 367,003
Payroll taxes	-	32,731	32,731	14,784	10,249	25,033
Employee benefits	-	68,042	68,042	17,382	25,922	43,304
Total salaries, taxes, and benefits	<u>\$ -</u>	<u>\$ 538,913</u>	<u>\$ 538,913</u>	<u>\$ 251,758</u>	<u>\$ 183,582</u>	<u>\$ 435,340</u>
Outside contractors	\$ -	\$ 8,984	\$ 8,984	\$ 101	\$ -	\$ 101
Supplies	-	36,705	36,705	3,300	7,316	10,616
Telephone	-	3,086	3,086	1,189	1,176	2,365
Postage and shipping	-	92	92	173	1,224	1,397
Occupancy	-	13,107	13,107	4,627	4,993	9,620
Equipment rental	-	6,613	6,613	2,737	1,946	4,683
Printing	-	3,192	3,192	204	-	204
Travel	-	2,848	2,848	111	870	981
Conferences, conventions, and meetings	-	1,977	1,977	-	-	-
Insurance	-	2,748	2,748	970	1,047	2,017
Training	-	1,291	1,291	2,058	652	2,710
Dues and subscriptions	-	16,049	16,049	10,575	6,978	17,553
Advertising	-	19,110	19,110	136	1,800	1,936
Repairs and maintenance	-	20,451	20,451	7,193	15,164	22,357
Awards	-	-	-	418	26	444
Professional fees	-	11,424	11,424	5,435	4,179	9,614
Miscellaneous	-	2,279	2,279	5,480	2,858	8,338
In-kind program expense	-	10,154	10,154	-	-	-
Depreciation and amortization	-	18,013	18,013	6,359	6,862	13,221
Total expenses	<u>\$ (8,594)</u>	<u>\$ 717,036</u>	<u>\$ 708,442</u>	<u>\$ 302,824</u>	<u>\$ 240,673</u>	<u>\$ 543,497</u>
						<u>\$ 1,251,939</u>

The accompanying notes to financial statements are an integral part of this statement.

RAPPAHANNOCK UNITED WAY, INC.

Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ (230,383)	\$ (106,196)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization	33,164	31,234
Operating lease amortization	5,490	-
Contributed nonfinancial asset	(110,000)	-
Interest received	(23,558)	(3,288)
(Increase) decrease in:		
Contributions receivable	9,092	43,052
Prepaid expenses	(2,187)	(8,182)
Right-of-use-assets - operating lease	(39,962)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	68,969	76,226
Allocation and grants payable	(92,818)	(387,665)
Lease liabilities	34,542	-
Net cash provided by (used for) operating activities	\$ <u>(347,651)</u>	\$ <u>(354,819)</u>
Cash flows from investing activities:		
Sale (purchase) of property and equipment	\$ (9,571)	\$ (9,972)
Redemption (purchase) of certificates of deposit	<u>397,391</u>	<u>-</u>
Net cash provided by (used for) investing activities	\$ <u>387,820</u>	\$ <u>(9,972)</u>
Net increase (decrease) in cash and cash equivalents	\$ 40,169	\$ (364,791)
Cash and cash equivalents, beginning of year	<u>590,869</u>	<u>955,660</u>
Cash and cash equivalents, end of year	<u><u>\$ 631,038</u></u>	<u><u>\$ 590,869</u></u>

The accompanying notes to financial statements are an integral part of this statement.

RAPPAHANNOCK UNITED WAY, INC.

Notes to Financial Statements
At June 30, 2024 and 2023

Note 1 - Nature of Organization:

Rappahannock United Way, Inc. (the Organization) is a not-for-profit organization working to create a community that is hopeful, resilient and self-sufficient by focusing on Education, Financial Stability, and Healthy Living programs

The Organization conducts an annual fundraising campaign which supports internal programs designed to help households living under the Asset Limited, Income Constrained, Employed (ALICE®) threshold to become self-sufficient and reach their potential. These programs include but are not limited to: one-time emergency financial assistance, free tax preparation and free financial coaching. The Organization also supports outside Member Agency programs that align with its mission and focus areas by awarding grants.

The Organization serves the City of Fredericksburg and the counties of Caroline, King George, Spotsylvania, and Stafford.

Note 2 - Summary of Significant Accounting Policies:

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized in the period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

Financial Statement Presentation:

The financial statements include the accounts of the Organization and the activities of the Local Government Campaign (the LGC). The LGC is an unincorporated entity regulated by the City of Fredericksburg and counties of Stafford, Spotsylvania, King George, and Caroline, in partnership to provide a framework for charitable solicitation of local government employees. The Organization has been designated as the Fiscal Agent/Campaign Consultant of the LGC, and, as such, manages the charitable campaign of the LGC.

The Organization is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions:

Net assets not subject to donor-imposed restrictions. At June 30, 2024 and 2023, the Organization had \$1,726,483 and \$1,865,138 in net assets without donor restrictions, respectively.

Net Assets With Donor Restrictions:

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. At June 30, 2024 and 2023, the Organization had \$80,865 and \$172,593 in net assets with donor restrictions, respectively.

RAPPAHANNOCK UNITED WAY, INC.

**Notes to Financial Statements
At June 30, 2024 and 2023 (Continued)**

Note 2 - Summary of Significant Accounting Policies: (Continued)

Financial Statement Presentation: (Continued)

Contributions:

Contributions, including pledges, are considered to be without donor restrictions unless specifically indicated as restricted by the donor.

When the donor-stipulated time restriction ends or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without restrictions and are reported in the statement of activities as net assets released from restriction. Contributions for which restrictions are satisfied in the same year as received are recognized as restricted and released.

Allowance for Uncollectible Accounts:

An allowance for uncollectible pledges is established for each campaign and reduces pledges receivable in the statement of financial position and is deducted from contributions in the statement of activities. Pledges outstanding one year after the close of the campaign are deemed uncollectible and the provision for uncollectible pledges is adjusted for the uncollected amounts. Any subsequent collection of previously charged off accounts is recorded through the provision for uncollectible pledges.

Gifts In-Kind and Contributed Services:

Nonfinancial donations of equipment, materials, supplies, or other items that benefit the operations of the Organization are included as unrestricted support in the period in which the benefit applies, at estimated fair value. Donated services of a specialized nature which would otherwise be purchased by the Organization are recognized in the same manner. Current year in-kind revenue and expenses are a calculated three-year average of allocated media airtime donated from United Way Worldwide to the Organization.

Thousands of hours, for which no value has been assigned or recognized, were volunteered throughout the year in specific assistance programs, campaign solicitations, and fund-raising activities.

Cash and Cash Equivalents:

The Organization considers highly liquid investments with original maturities of less than three months when purchased to be cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, may exceed Federal Deposit Insurance Corporation insured limits of \$250,000.

RAPPAHANNOCK UNITED WAY, INC.

Notes to Financial Statements At June 30, 2024 and 2023 (Continued)

Note 2 - Summary of Significant Accounting Policies: (Continued)

Property and Equipment:

It is the Organization's policy to capitalize additions to property and equipment that exceed \$1,000. Property and equipment are stated at cost (if purchased) or at fair value at the date of donation (if donated). Depreciation is provided by the straight-line method based on the estimated useful lives of the assets as follows:

Buildings and improvements	5-40 years
Furniture and equipment	3-7 years

Depreciation expense for the year ended June 30, 2024 and 2023 was \$33,164 and \$31,234, respectively.

CFC Designations:

Rappahannock United Way (local federation) honors designations made to each member organization and other 501(c)3 organizations by distributing a proportionate share of receipts based on donor designations to each member, per CFC regulations at § 950.301(e)(2)(i). Designations include pass-through amounts held for others. These amounts are included in annual campaign revenues and are offset by the amount of support raised on behalf of others.

Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Functional expenses are apportioned between program and supporting services based on personnel time utilized for the related activities. Specifically, identifiable expenses are directly allocated.

Advertising:

Advertising costs are expensed as incurred.

Income Taxes:

The Internal Revenue Service has determined that the Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (IRC); therefore, no provision has been made for income tax expense. Management has evaluated the Organization's tax positions, as required by the Income Taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, and has determined that there are no uncertain tax positions that require adjustment to or disclosure in the financial statements. The Organization files Form 990, Return of Organization Exempt from Income Tax, annually with the United States Department of the Treasury.

RAPPAHANNOCK UNITED WAY, INC.

Notes to Financial Statements
At June 30, 2024 and 2023 (Continued)

Note 2 - Summary of Significant Accounting Policies: (Continued)

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains and other support and expenses during the reporting periods. Actual results could differ from those estimates. Estimates include the allowance for uncollectible pledges and allowance for designation provisions calculated in each year's campaign, useful lives of property and equipment and the functional allocation of expenses.

Leases:

The Organization recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Organization is a lessee in an operating lease for building space and 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 to 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 a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Organization uses its incremental borrowing rate. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. 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) and 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.

Note 3 - Contributions Receivable:

Contributions receivable consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Due in less than one year	\$ 682,119	\$ 713,711
Less allowance for uncollectible pledges	<u>(86,000)</u>	<u>(108,500)</u>
Total contributions receivable	<u>\$ 596,119</u>	<u>\$ 605,211</u>

RAPPAHANNOCK UNITED WAY, INC.

Notes to Financial Statements

At June 30, 2024 and 2023 (Continued)

Note 4 - Board Designated Net Assets:

Included in net assets without donor restrictions are amounts designated by the Organization's Board of Directors for the following purposes as of June 30:

	<u>2024</u>	<u>2023</u>
Stabilization reserve fund	\$ 700,000	\$ 700,000
Board reserve fund	100,000	100,000
ALICE assistance fund	-	200,000
Community impact	-	30,403
Total board designated net assets	<u>\$ 800,000</u>	<u>\$ 1,030,403</u>

Note 5 - Net Assets With Donor Restrictions:

Net assets with donor restrictions are available for the following purposes as of June 30:

	<u>2024</u>	<u>2023</u>
ALICE Assistance Fund	\$ 37,866	\$ 154,605
Atlantic Union Grant for ALICE	10,000	10,000
LG RMRP Grants	26	26
Future campaigns	32,973	7,962
Total	<u>\$ 80,865</u>	<u>\$ 172,593</u>

Net assets were released through satisfaction of the following program restrictions during the years ended June 30, 2024 and 2023 as follows:

	<u>2024</u>	<u>2023</u>
ALICE Assistance Fund	\$ 163,414	\$ 104,856
LG RMRP Grants	-	13,147
Future campaigns	7,962	8,763
Total	<u>\$ 171,376</u>	<u>\$ 126,766</u>

RAPPAHANNOCK UNITED WAY, INC.

Notes to Financial Statements

At June 30, 2024 and 2023 (Continued)

Note 7 - Liquidity and Availability of Resources:

The Organization monitors its liquidity so that it can meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

	<u>2024</u>	<u>2023</u>
Financial Assets:		
Cash and cash equivalents	\$ 631,038	\$ 590,869
Certificates of deposit	233,438	607,270
Contributions receivable, net	596,119	605,211
Other receivables	<u>635</u>	<u>635</u>
Total financial assets available within one year	<u>1,461,230</u>	<u>1,803,985</u>
Restriction and Designations:		
Donor-imposed restrictions:		
ALICE Assistance Fund	\$ (37,866)	\$ (154,605)
Atlantic Union Grant for ALICE	(10,000)	(10,000)
LG RMRP Grants	(26)	(26)
Future campaigns	(32,973)	(7,962)
Board designations:		
Stabilization reserve fund	(700,000)	(700,000)
Board reserve fund	(100,000)	(100,000)
ALICE assistance fund	-	(200,000)
Community impact	<u>-</u>	<u>(30,403)</u>
Total	<u>\$ 580,365</u>	<u>600,989</u>

In addition to financial assets available to meet general expenditures over the year, the Organization anticipates covering its general expenditures by collecting sufficient donations and other revenues and by utilizing donor-restricted resources from current and prior years' donations, as needed.

The Organization has a reserve accumulation and utilization policy that establishes a stabilization reserve, working capital reserve, and allows the Board to reserve funds for other purposes at any time. This policy helps the Organization ensure that adequate resources are available even in the event of unforeseen campaign, economic and organization circumstances.

RAPPAHANNOCK UNITED WAY, INC.

Notes to Financial Statements

At June 30, 2024 and 2023 (Continued)

Note 8 - Retirement Plan:

The Organization offers a retirement plan under IRC Section 403(b) to all of its full-time employees. This plan allows employees to make voluntary contributions to a tax deferred annuity contract. The employer does not make contributions to the plan.

Note 9 - Operating Leases:

As of June 30, 2024, the Organization had noncancelable operating leases for equipment, which expire through 2029. Lease expense for these leases totaled \$6,755 the year ended June 30, 2024. Operating cash flows from operating leases was \$6,685 for the year ended June 30, 2024. Right of use assets obtained in exchange for new operating lease liabilities was \$39,962 for the year ended June 30, 2024.

Amounts reported in the financial statements as of June 30, 2024 were as follows:

Operating leases:

Operating leases right-of-use assets	\$	<u>34,472</u>
Operating lease liabilities	\$	<u><u>34,542</u></u>

Future minimum lease payments under the leases are as follows:

2025	\$	8,659
2026		8,659
2027		8,659
2028		8,659
2029		<u>3,343</u>
Total lease payments	\$	<u>37,979</u>
Less imputed interest	\$	<u>(3,437)</u>
Total lease liability	\$	<u><u>34,542</u></u>

The weighted average remaining lease term for operating leases is 4.33 years as of June 30, 2024. The weighted average discount rate for operating leases is 4.53% as of June 30, 2024.

Note 10 - Restatement of Net Assets:

Net assets were restated as follows:

Net assets without donor restrictions July 1, 2022 as previously reported	\$	2,128,150
Restatement of:		
Allocation and grants payable, net		<u>(200,000)</u>
Net assets without donor restrictions July 1, 2022 as restated	\$	<u><u>1,928,150</u></u>

RAPPAHANNOCK UNITED WAY, INC.

Notes to Financial Statements
At June 30, 2024 and 2023 (Continued)

Note 11 - Subsequent Events:

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through September 18, 2024, the date the financial statements were available to be issued.