

UNITED WAY OF GREATER GREENSBORO, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021



UNITED WAY OF GREATER GREENSBORO, INC.
Officers and Board of Directors
June 30, 2022 and 2021

Officers

Chair of the Board:	Davida Martin
Board Vice Chair:	Michele Deuterma
Secretary of the Board and Legal Counsel:	Adam Tarleton
President and CEO:	Khari Garvin
Treasurer:	Mike Gillis
Campaign Chair:	Scott Baker

Board of Directors

Darryl Aaron	Phillip McCall
Tabitha Allen-Draft	Bryan McNeil
Anthony Boyd	Heather Milligan
Claudia Cannady	Grant Ozipko
Tracie Catlett	Denise Patterson
Tiffany Crenshaw	Jose Sandoval
Tom Cromartie	Terri Shelton
Manuel Dudley	Bryan Starrett
Mandy Eaton	Adam Tarlton
Tim Gibson	Dan Sctari
Tom Glaser	Leigha Smith
Niketa Greene	Gregg Strader
Charrise Hart	Tricia Teter
Kathleen Kelly	Jamiah Waterman
Jenni Marsh	Jill White

UNITED WAY OF GREATER GREENSBORO, INC.

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Independent Auditor's Report

To the Board of Directors and Officers
United Way of Greater Greensboro, Inc.
Greensboro, North Carolina

Opinion

We have audited the accompanying financial statements of United Way of Greater Greensboro, Inc. (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 assets and net assets of United Way of Greater Greensboro, Inc. as of June 30, 2022 and 2021, and its results of operations 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of United Way of Greater Greensboro, 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.

Responsibility 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 Greater Greensboro, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 auditing standards generally accepted in the United States of America 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, including omissions, 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 auditing standards generally accepted in the United States of America, 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 Greater Greensboro, 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 Greater Greensboro, 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.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina

January 25, 2023

UNITED WAY OF GREATER GREENSBORO, INC.
Statements of Financial Position
June 30, 2022 and 2021

	<u>Assets</u>	
	<u>2022</u>	<u>2021</u>
Current Assets:		
Cash and cash equivalents	\$ 1,622,979	\$ 10,755,253
Investments, at fair value	16,570,117	11,308,003
Current portion of pledges receivable	3,024,780	2,691,285
Other receivables	269,364	237,280
Prepaid expenses	42,530	44,355
Total current assets	<u>21,529,770</u>	<u>25,036,176</u>
Noncurrent Assets:		
Pledges receivable, less current portion, net	65,679	45,679
Beneficial interest in Foundation assets	2,643,616	3,291,850
Cash surrender value of life insurance (\$667,495 and \$686,835 face value at June 30, 2022 and 2021, respectively)	84,318	84,318
	<u>2,793,613</u>	<u>3,421,847</u>
Property and Equipment:		
Land	220,812	220,812
Buildings	1,450,072	1,450,072
Equipment	632,584	628,594
	<u>2,303,468</u>	<u>2,299,478</u>
Less accumulated depreciation	1,635,443	1,554,099
	<u>668,025</u>	<u>745,379</u>
Total assets	<u>\$ 24,991,408</u>	<u>\$ 29,203,402</u>
	<u>Liabilities and Net Assets</u>	
Current Liabilities:		
Accounts payable	\$ 478,028	\$ 31,312
Accrued expenses	66,750	65,665
Allocations and designations payable	4,056,642	4,561,622
Total current liabilities	<u>4,601,420</u>	<u>4,658,599</u>
Noncurrent Liabilities:		
Loan payable	-	382,200
Total liabilities	<u>4,601,420</u>	<u>5,040,799</u>
Net Assets:		
Without donor restrictions:		
Unappropriated	16,128,282	19,418,532
Board appropriated	220,136	518,924
	<u>16,348,418</u>	<u>19,937,456</u>
With donor restrictions	4,041,570	4,225,147
Total net assets	<u>20,389,988</u>	<u>24,162,603</u>
Total liabilities and net assets	<u>\$ 24,991,408</u>	<u>\$ 29,203,402</u>

See Notes to Financial Statements

UNITED WAY OF GREATER GREENSBORO, INC.
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Gross campaign results	\$ 6,381,249	\$ 540,796	\$ 6,922,045	\$ 6,726,241	\$ 182,065	\$ 6,908,306
Less donor designations	569,037	-	569,037	499,375	-	499,375
Less provision for uncollectible	(36,568)	-	(36,568)	193,675	-	193,675
Net current campaign revenue	5,848,780	540,796	6,389,576	6,033,191	182,065	6,215,256
Campaign revenue - future campaign, net	-	169,889	169,889	-	438,211	438,211
Net campaign revenue	5,848,780	710,685	6,559,465	6,033,191	620,276	6,653,467
Net income (loss) from investments	(2,720,715)	-	(2,720,715)	1,496,703	-	1,496,703
Net income (loss) from beneficial interest in						
Foundation assets	(538,206)	-	(538,206)	725,088	-	725,088
Greensboro Virus Relief Fund contributions	-	3,920	3,920	-	450,789	450,789
Designations - other community campaigns	155,551	-	155,551	95,038	-	95,038
Grant and gift revenue	-	2,675	2,675	10,000,000	3,153	10,003,153
Sponsorship income	171,228	-	171,228	134,681	-	134,681
Other revenue	404,537	-	404,537	355,419	-	355,419
Net assets released from restrictions	900,857	(900,857)	-	1,216,335	(1,216,335)	-
Total support and revenue	4,222,032	(183,577)	4,038,455	20,056,455	(142,117)	19,914,338
Functional Expenses:						
Allocations and grants	2,508,600	-	2,508,600	3,292,762	-	3,292,762
Other community programs	3,472,291	-	3,472,291	2,913,744	-	2,913,744
Administration	897,407	-	897,407	1,002,021	-	1,002,021
Fund development	932,772	-	932,772	986,642	-	986,642
Total functional expenses	7,811,070	-	7,811,070	8,195,169	-	8,195,169
Changes in net assets	(3,589,038)	(183,577)	(3,772,615)	11,861,286	(142,117)	11,719,169
Net assets, beginning of year	19,937,456	4,225,147	24,162,603	8,076,170	4,367,264	12,443,434
Net assets, end of year	\$ 16,348,418	\$ 4,041,570	\$ 20,389,988	\$ 19,937,456	\$ 4,225,147	\$ 24,162,603

See Notes to Financial Statements

UNITED WAY OF GREATER GREENSBORO, INC.
Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services			Supporting Services			
	Allocations and Grants	Other Community Programs	Total Program Services	Administration	Fund Development	Total Support Services	Total
Allocations and awards	\$ 3,073,764	\$ 1,557,652	\$ 4,631,416	\$ -	\$ -	\$ -	\$ 4,631,416
Less donor designations	569,037	-	569,037	-	-	-	569,037
Discretionary allocations	2,504,727	1,557,652	4,062,379	-	-	-	4,062,379
Salaries and contracted labor	2,430	1,551,137	1,553,567	620,129	551,402	1,171,531	2,725,098
Employee benefits	427	96,095	96,522	50,763	104,496	155,259	251,781
Payroll taxes	184	38,355	38,539	48,304	45,266	93,570	132,109
Total salaries and related costs	3,041	1,685,587	1,688,628	719,196	701,164	1,420,360	3,108,988
Fundraising, printing, publications and advertising	12	27,892	27,904	8,010	10,930	18,940	46,844
Support of state and national United Way	260	44,230	44,490	44,586	63,946	108,532	153,022
Materials, events and supplies	21	58,735	58,756	14,440	22,269	36,709	95,465
Professional fees	135	20,243	20,378	34,480	33,321	67,801	88,179
Depreciation	140	22,698	22,838	24,035	34,472	58,507	81,345
Occupancy	122	20,851	20,973	21,019	30,146	51,165	72,138
Rental and maintenance of equipment	25	4,227	4,252	4,261	6,111	10,372	14,624
Telephone and internet service	12	2,053	2,065	2,070	2,969	5,039	7,104
Membership dues and subscriptions	1	2,831	2,832	3,729	1,254	4,983	7,815
Postage and shipping	30	182	212	3,894	7,933	11,827	12,039
Travel and staff development	1	13,894	13,895	5,236	399	5,635	19,530
Miscellaneous	73	11,216	11,289	12,451	17,858	30,309	41,598
Total other expenses	832	229,052	229,884	178,211	231,608	409,819	639,703
Total functional expenses	\$ 2,508,600	\$ 3,472,291	\$ 5,980,891	\$ 897,407	\$ 932,772	\$ 1,830,179	\$ 7,811,070

See Notes to Financial Statements

UNITED WAY OF GREATER GREENSBORO, INC.
Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services			Supporting Services			
	Allocations and Grants	Other Community Programs	Total Program Services	Administration	Fund Development	Total Support Services	Total
Allocations and awards	\$ 3,787,952	\$ 2,079,551	\$ 5,867,503	\$ -	\$ -	\$ -	\$ 5,867,503
Less donor designations	499,375	-	499,375	-	-	-	499,375
Discretionary allocations	3,288,577	2,079,551	5,368,128	-	-	-	5,368,128
Salaries and contracted labor	2,768	587,700	590,468	721,234	627,665	1,348,899	1,939,367
Employee benefits	516	90,110	90,626	73,899	129,783	203,682	294,308
Payroll taxes	196	31,383	31,579	47,247	47,887	95,134	126,713
Total salaries and related costs	3,480	709,193	712,673	842,380	805,335	1,647,715	2,360,388
Fundraising, printing, publications and advertising	7	11,708	11,715	16,074	8,723	24,797	36,512
Support of state and national United Way	227	38,700	38,927	39,011	55,951	94,962	133,889
Professional fees	120	10,506	10,626	35,112	29,796	64,908	75,534
Depreciation	133	22,705	22,838	22,887	32,826	55,713	78,551
Occupancy	98	16,646	16,744	16,781	24,067	40,848	57,592
Rental and maintenance of equipment	28	4,699	4,727	4,737	6,795	11,532	16,259
Telephone and internet service	21	3,963	3,984	2,940	5,244	8,184	12,168
Postage and shipping	33	140	173	3,397	8,614	12,011	12,184
Travel and staff development	13	6,587	6,600	14,260	3,097	17,357	23,957
Miscellaneous	25	9,346	9,371	4,442	6,194	10,636	20,007
Total other expenses	705	125,000	125,705	159,641	181,307	340,948	466,653
Total functional expenses	\$ 3,292,762	\$ 2,913,744	\$ 6,206,506	\$ 1,002,021	\$ 986,642	\$ 1,988,663	\$ 8,195,169

UNITED WAY OF GREATER GREENSBORO, INC.**Statements of Cash Flows****Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Changes in net assets	\$ (3,772,615)	\$ 11,719,169
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Provision for uncollectible pledges	23,058	-
Depreciation	81,345	78,551
Net (gain) loss on investments including change in beneficial interest	3,482,290	(1,278,013)
Interest and dividends	(876,480)	(332,030)
Forgiveness of loan payable	(382,200)	(335,000)
(Increase) decrease in:		
Pledges receivable	(376,553)	100,609
Other receivables	(32,084)	(4,790)
Prepaid expenses	1,825	(702)
Increase (decrease) in:		
Accounts payable and accrued expenses	446,716	(203,722)
Accrued expenses	1,085	(1,585)
Allocations and designations payable	(504,980)	(308,084)
Net cash provided by (used in) operating activities	<u>(1,908,593)</u>	<u>9,434,403</u>
Cash flows from investing activities:		
Purchase of investments	(23,442,493)	(726,929)
Proceeds from sale of investments	16,107,898	129,271
Payment from Foundation	114,905	113,340
Purchase of equipment	(3,991)	(21,216)
Net cash used in investing activities	<u>(7,223,681)</u>	<u>(505,534)</u>
Cash flows from financing activities:		
Proceeds from issuance of loan payable	-	382,200
Net cash provided by financing activities	<u>-</u>	<u>382,200</u>
Increase (decrease) in cash and cash equivalents	(9,132,274)	9,311,069
Cash and cash equivalents - beginning	<u>10,755,253</u>	<u>1,444,184</u>
Cash and cash equivalents - ending	<u>\$ 1,622,979</u>	<u>\$ 10,755,253</u>

UNITED WAY OF GREATER GREENSBORO, INC.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

United Way of Greater Greensboro, Inc. (the “Organization”) is a nonprofit organization that makes investments in the community in hopes that every individual and family can succeed. Through community partnerships, the Organization helps children and young people succeed in school and in life, offers financial stability for individuals and families and empowers all to lead a healthy life. The Organization mobilizes and unites the passion, expertise and resources of caring citizens and invests in effective programs to achieve solutions to the community’s most critical issues. Together, with community and corporate partners, donors, volunteers and advocates, the Organization is focusing its work on breaking the cycle of poverty in Greater Greensboro and creating opportunities for a high quality of life for all.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions – net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions – net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time, as well as those that may be maintained permanently by the Organization.

Support and revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor-imposed stipulation has been fulfilled and/or the stipulation time period has elapsed) are reported as net assets released from restrictions on the statement of activities and changes in net assets.

The Organization records the estimated fair value of cash or other financial assets received from donors in which the Organization is the beneficial owner, but not the legal owner.

The Organization periodically manages the distribution of non-financial assets or receives non-financial assets for distribution to other nonprofit entities. The Organization does not recognize an asset or revenue for the non-financial assets received nor liabilities or expenses for assets distributed under these arrangements.

The ability of the Organization’s contributors to continue giving amounts comparable with prior years is dependent upon current and future economic conditions and the continued deductibility for income tax purposes of contributions to the Organization. While the Organization’s Board of Directors believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues, may be dependent on the above factors.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

UNITED WAY OF GREATER GREENSBORO, INC.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

Contributions and Pledges Receivable

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value on the date of the gift.

Campaign pledge contributions receivable are generally paid within one year after the fiscal year-end. Unconditional promises to give due in more than one year are recognized at fair value, using a rate commensurate with the risks involved. An allowance for uncollectible pledges is provided at the end of each campaign based on the Organization's collection history. The allowance is adjusted at the end of each year to reflect management's current estimates of collectability.

Concentration of Risk

Pledges receivable are primarily from individuals, businesses or nonprofit foundations in Greensboro and surrounding areas. Generally, a concentration of credit risk is limited due to the large number of donors comprising the Organization's donor base. However, at June 30, 2022 and 2021, one donor comprised \$300,000 of pledges receivable.

The Organization may from time to time have cash balances on deposit with financial institutions that exceed the amounts that are federally insured.

Investments

Investments are recorded at fair value. Gains and losses are reported as increases or decreases in net assets without donor restrictions in the statement of activities and changes in net assets unless their use is restricted by explicit donor stipulations or law, in which case they are reported as increases or decreases in net assets with donor restrictions (depending upon the type of restriction). For funds managed by the Organization, the Organization's policy is to pool excess funds in investments that provide moderate to high income with moderate emphasis on long-term growth. Certain investments are managed by the Community Foundation of Greater Greensboro, Inc. (the "Foundation") (Notes 4 and 5) as part of its Long-Term Pool. The Foundation's primary performance objective for investments in its Long-Term Pool is to achieve a total return, net of fees, in excess of spending and inflation rates, as defined by the Consumer Price Index.

The Organization's investments are subject to market risk and are not federally insured. The Organization's investments do not have a significant concentration of credit risk within any industry or geographic location.

UNITED WAY OF GREATER GREENSBORO, INC.**Notes to Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

The carrying amount of accounts receivable, accounts payable and allocations and designations payable approximate fair value because of the short maturity of those instruments.

Assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Fair value measurements of investments for which the measurement was based on net asset value (“NAV”) or its equivalent as provided by an external manager are categorized within Level 2 or Level 3 depending on the ability to redeem with the manager at the NAV as of the reporting date or within the near term.

The following are the assets measured at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Investments	\$ 16,570,117	\$ -	\$ -	\$ 16,570,117
Beneficial interest in Foundation assets	-	-	2,643,616	2,643,616
	<u>\$ 16,570,117</u>	<u>\$ -</u>	<u>\$ 2,643,616</u>	<u>\$ 19,213,733</u>

The following are the assets measured at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Investments	\$ 11,308,003	\$ -	\$ -	\$ 11,308,003
Beneficial interest in Foundation assets	-	-	3,291,850	3,291,850
	<u>\$ 11,308,003</u>	<u>\$ -</u>	<u>\$ 3,291,850</u>	<u>\$ 14,599,853</u>

There were no liabilities measured at fair value at June 30, 2022 and 2021.

The Organization has classified its portion of the total fair value of the underlying securities held by the Foundation as Level 3 based on the related redemption terms that require the approval of the Board of Directors of the Foundation before the Organization may fully access its portion of Foundation assets. The underlying investment securities held by the Foundation have fair values that are generally determined using Level 1 inputs. Assets held by the Foundation are primarily invested in Level 1 investments including bonds, fixed income funds, equities and equity funds that have quoted prices in active markets. The Organization adjusts its interest in the assets held by the Foundation similar to the equity method of accounting, which results in the assets being carried at fair value.

UNITED WAY OF GREATER GREENSBORO, INC.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments (Continued)

The changes in the beneficial interest in the Foundation assets (Level 3 inputs to determine the fair values) for the year ended June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 3,291,850	\$ 2,680,102
Interest and dividends	43,705	46,640
Gains (losses), net of fees	(577,034)	678,448
Appropriations	<u>(114,905)</u>	<u>(113,340)</u>
Balance, end of year	<u>\$ 2,643,616</u>	<u>\$ 3,291,850</u>

Land, Buildings and Equipment

Land, buildings and equipment acquired before January 1, 1970 are carried at their estimated original cost or donated value, net of accumulated depreciation. All subsequent additions that exceed \$500 are carried at cost, net of accumulated depreciation. Depreciation is computed over the estimated useful lives of the buildings and equipment on the straight-line method over lives that range from 3 to 40 years.

Long-Lived Assets

Long-lived assets, such as land, buildings and equipment, are evaluated for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment charge is recognized when the fair value of the asset is less than the carrying value. No impairment charges were recorded in 2022 or 2021.

Allocations and Grants

The Organization allocates campaign funds annually to agencies serving the community. These allocations are recognized as liabilities at the time the commitments are made. In order to be eligible for the funds, these agencies must measure their results and achieve certain program outcomes that meet the Organization objectives.

Combined Federal Campaign Designations

The Organization has established policies and procedures to substantially distribute all receipts from a given campaign proportionally in accordance with the gross designation reports provided by administrators of the various campaigns. Distributions are made on a regular, scheduled basis using the gross designation report from each campaign as a basis for each proportionate distribution.

The Organization honors all federal employee designations received from the Combined Federal Campaign by distributing a proportionate share of receipts based on donor designation by each member.

UNITED WAY OF GREATER GREENSBORO, INC.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance, campaign solicitations and various committee assignments.

Functional Allocation of Expenses

The costs of providing various programs are categorized on a functional basis. The majority of expenses generally can be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses by function have been allocated among functions based on time and other studies, which are performed on a periodic basis. The Organization categorizes these costs as follows:

Allocation and Grants: activities related to agency relations and allocation processes.

Other Community Programs: activities related to community issues.

Administration: activities that are important to the Organization's existence, but do not fit into any other functions.

Fund Development: activities related to appeals for financial support, such as workplace campaigns, managed campaigns and leadership events.

Income Taxes

The Organization is exempt from income taxes on related income as an organization described under Section 501(c)(3) of the Internal Revenue Code. No unrelated business taxable income has been identified by management. Accordingly, no provision for income taxes is included in the accompanying financial statements.

It is the Organization's policy to evaluate all tax positions and to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a more-likely-than-not threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the financial statements. No material uncertain tax positions were identified for 2022 and 2021.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through January 25, 2023, which is the date the financial statements were available to be issued.

UNITED WAY OF GREATER GREENSBORO, INC.
Notes to Financial Statements

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of June 30 are as follows:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 1,622,979	\$ 10,755,253
Pledges receivable, net	3,024,780	2,691,285
Other receivables	269,364	237,280
Investments	<u>16,570,117</u>	<u>11,308,003</u>
Total financial assets	21,487,240	24,991,821
Pledges receivable past one year	(70,000)	(50,000)
Investments with donor restrictions	<u>(95,822)</u>	<u>(120,390)</u>
Amounts available within one year	<u><u>\$ 21,321,418</u></u>	<u><u>\$ 24,821,431</u></u>

The Organization manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due. On a quarterly basis, the Organization reviews projected cash flows and transfers into or out of investment accounts based on those projections. The Organization has Board appropriated net assets without donor restrictions that, while the Organization does not intend to spend for those identified, could be made available for current operations if necessary.

NOTE 3 - PLEDGES RECEIVABLE AND ALLOWANCES FOR UNCOLLECTIBLE PLEDGES

Pledges receivable and the related allowances for uncollectible pledges at June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Pledges receivable from current year campaign	\$ 3,223,939	\$ 2,828,239
Pledges receivable for future campaign	-	19,146
Gross unconditional promises to give	<u>3,223,939</u>	<u>2,847,385</u>
Discount on multi-year pledges	(4,322)	(4,321)
Allowance for uncollectible pledges	<u>(129,158)</u>	<u>(106,100)</u>
Total	<u><u>\$ 3,090,459</u></u>	<u><u>\$ 2,736,964</u></u>
Amounts due in:		
Less than one year	\$ 3,153,939	
One to five years	<u>70,000</u>	
Gross unconditional promises to give	<u><u>\$ 3,223,939</u></u>	

At June 30, 2022, promises to give were discounted at a rate of 4.5%, which will remain unchanged for the life of those promises to give.

UNITED WAY OF GREATER GREENSBORO, INC.**Notes to Financial Statements****NOTE 3 - PLEDGES RECEIVABLE AND ALLOWANCES FOR UNCOLLECTIBLE PLEDGES
(Continued)**

The net charges to expense for uncollectible pledges for the years ended June 30, 2022 and 2021, consists of the following:

	<u>2022</u>	<u>2021</u>
Initial reserve (4.0% of campaign pledges in 2022 and 2021)	\$ 283,961	\$ 294,591
Write-offs from prior years' campaigns, net of collections of amount previously written off and adjustment to allowance	<u>(313,450)</u>	<u>(82,657)</u>
	<u>\$ (29,489)</u>	<u>\$ 211,934</u>

Included in the statements of activities and changes in net assets for the years ended June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Without donor restrictions (current and past campaigns)	\$ (36,568)	\$ 193,675
With donor restrictions (future campaign)	<u>7,079</u>	<u>18,259</u>
	<u>\$ (29,489)</u>	<u>\$ 211,934</u>

NOTE 4 - INVESTMENTS

Investments, at fair value, at June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Money market funds, at cost which approximates fair value	\$ 994,912	\$ 1,003,167
Bond and fixed interest funds (cost of \$7,370,223 and \$5,670,098)	6,840,257	5,569,416
Other mutual funds (cost of \$694,500 and \$266,581)	645,756	266,581
Common stock (cost of \$9,424,625 and \$4,050,755)	<u>8,089,192</u>	<u>4,468,839</u>
Total	<u>\$ 16,570,117</u>	<u>\$ 11,308,003</u>

Investment income, including the return on amounts held by the Foundation, consisted of the following:

	<u>Investments Directed by</u>		<u>Total</u>
	<u>Foundation</u>	<u>Organization</u>	
<u>June 30, 2022:</u>			
Interest and dividends	\$ 43,705	\$ 876,480	\$ 920,185
Loss on investments carried at fair value	(541,591)	(3,594,079)	(4,135,670)
Investment management fees	(40,320)	(3,116)	(43,436)
	<u>\$ (538,206)</u>	<u>\$ (2,720,715)</u>	<u>\$ (3,258,921)</u>
<u>June 30, 2021:</u>			
Interest and dividends	\$ 46,640	\$ 332,030	\$ 378,670
Gain on investments carried at fair value	717,115	1,175,179	1,892,294
Investment management fees	(38,667)	(10,506)	(49,173)
	<u>\$ 725,088</u>	<u>\$ 1,496,703</u>	<u>\$ 2,221,791</u>

UNITED WAY OF GREATER GREENSBORO, INC.

Notes to Financial Statements

NOTE 5 - ENDOWMENT FUNDS

The Organization's endowments are invested with the Foundation (Note 6) or in managed accounts with other trustees at the discretion of the Board of Directors. The Organization's endowments include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the 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 absent explicit donor stipulations to the contrary. The Organization classifies as perpetually restricted net assets (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 donor gift instrument at the time the accumulation is added to the fund. The fair value of assets associated with individual donor-restricted endowment funds may fall below the level classified as perpetually restricted. No deficiencies of this nature are reported in net assets with donor restrictions as of June 30, 2022 and 2021.

The Organization annually determines an endowment payout percentage based upon a spending policy that considers both the needs of the Organization in carrying out its charitable purposes and the objective to maintain the purchasing power of the endowment assets held in perpetuity. This payout percentage is then applied to the average fair values of the endowment funds over the preceding 12 quarters to determine the endowment distributions to be received by the Organization. A distribution of 4.0% was received for 2022 and 2021.

At June 30, 2022, endowment net assets by type of fund comprised:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 220,136	\$ -	\$ 220,136
Donor restricted endowment funds:			
Original gift amounts and amount to be held in perpetuity	-	1,440,577	1,440,577
Accumulated investment gains	697,422	381,303	1,078,725
	<u>\$ 917,558</u>	<u>\$ 1,821,880</u>	<u>\$ 2,739,438</u>

The following summarizes changes in endowment net assets for the year ended June 30, 2022.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	<u>\$ 771,649</u>	<u>\$ 2,640,591</u>	<u>\$ 3,412,240</u>
Investment return:			
Investment income	10,245	35,304	45,549
Net change in value (realized and unrealized)	162,597	(766,043)	(603,446)
Total investment return	<u>172,842</u>	<u>(730,739)</u>	<u>(557,897)</u>
Appropriation of endowment assets	<u>(26,933)</u>	<u>(87,972)</u>	<u>(114,905)</u>
Endowment net assets, end of year	<u>\$ 917,558</u>	<u>\$ 1,821,880</u>	<u>\$ 2,739,438</u>

UNITED WAY OF GREATER GREENSBORO, INC.**Notes to Financial Statements**

NOTE 5 - ENDOWMENT FUNDS (Continued)

At June 30, 2021, endowment net assets by type of fund comprised:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 518,924	\$ -	\$ 518,924
Donor restricted endowment funds:			
Original gift amounts and amount to be held in perpetuity	-	1,440,577	1,440,577
Accumulated investment gains	252,725	1,200,014	1,452,739
	<u>\$ 771,649</u>	<u>\$ 2,640,591</u>	<u>\$ 3,412,240</u>

The following summarizes changes in endowment net assets for the year ended June 30, 2021.

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 628,193	\$ 2,147,430	\$ 2,775,623
Investment return:			
Investment income	10,933	37,604	48,537
Net change in value (realized and unrealized)	159,070	542,350	701,420
Total investment return	170,003	579,954	749,957
Appropriation of endowment assets	(26,547)	(86,793)	(113,340)
Endowment net assets, end of year	<u>\$ 771,649</u>	<u>\$ 2,640,591</u>	<u>\$ 3,412,240</u>

NOTE 6 - BENEFICIAL INTEREST IN FOUNDATION ASSETS

The Organization is the beneficial owner of certain funds invested with the Foundation. The beneficial interest is valued at the estimated fair value of the Organization's interest in pooled investment assets held by the Foundation and was \$2,643,616 and \$3,291,850 at June 30, 2022 and 2021, respectively.

NOTE 7 - NET ASSETS

The Organization's net assets without donor restrictions at June 30, 2022 and 2021 is comprised of the following:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 16,128,282	\$ 19,418,532
Board appropriated:		
Basic community needs and general purpose	220,136	229,996
Innovation	-	281,932
Other programs	-	6,996
Total board appropriated net assets	<u>220,136</u>	<u>518,924</u>
Total net assets without donor restrictions	<u>\$ 16,348,418</u>	<u>\$ 19,937,456</u>

UNITED WAY OF GREATER GREENSBORO, INC.**Notes to Financial Statements**

NOTE 7 - NET ASSETS (Continued)

Net assets with donor restrictions at June 30, 2022 and 2021 is comprised of the following:

	<u>2022</u>	<u>2021</u>
Restricted for specific purpose:		
Integrated service delivery	\$ 1,651,904	\$ 1,429,136
Endowment returns subject to future appropriation	578,827	653,244
Organizational support	240,204	251,470
Emergency relief	136,182	130,847
Education	-	136,945
Basic community needs and general purpose	85,971	11,676
Health and wellness	-	5,976
Other programs	-	11,611
Restricted for future periods:		
Contributions received for next year's campaign (net of designations and allowances)	192,451	438,211
Perpetual restrictions:		
Organizational support	1,108,602	1,108,602
Emergency relief	47,429	47,429
Total net assets with donor restrictions	<u>\$ 4,041,570</u>	<u>\$ 4,225,147</u>

NOTE 8 - RETIREMENT PLAN

The Organization sponsors a 403(b) Thrift Plan to which it contributes 3% of employee compensation, plus the lesser of 50% of the employee's contributions or 3% of compensation. Retirement plan contributions were approximately \$65,546 and \$87,000 during 2022 and 2021, respectively.

NOTE 9 - PAYCHECK PROTECTION PROGRAM LOAN

The Organization received a Paycheck Protection Program ("PPP") loan from the Small Business Association ("SBA") via the First-Citizens Bank & Trust Company ("Lender") in the amount of \$335,000, pursuant to the PPP under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The Organization received full forgiveness of the principal and accrued interest from the SBA on April 26, 2021.

On March 17, 2021, the Organization received a second draw of \$382,200 in Paycheck Protection Program loan proceeds. The Organization received full forgiveness of the principal and accrued interest from the SBA on January 25, 2022.

UNITED WAY OF GREATER GREENSBORO, INC.

Notes to Financial Statements

NOTE 10 - CHARITABLE GRANT

During the year ended June 30, 2021, the Organization received a charitable grant of \$10 million. This grant requires limited annual reporting for three years, but no restrictions on its use. The Organization is in the process of determining how to best utilize this one-time gift to have the greatest impact on the community.