

UNITED WAY OF GREATER GREENSBORO, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020



**UNITED WAY OF GREATER GREENSBORO, INC.**  
**Officers and Board of Directors**  
**June 30, 2021 and 2020**

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**Officers**

Chair of the Board:	Kimberly B. Gatling
Board Vice Chair:	<i>Vacant</i>
Secretary of the Board and Legal Counsel:	Adam Tarleton
President and CEO:	Khari Garvin
Treasurer:	Mike Gillis
Campaign Chair:	Bill Morrisette

**Board of Directors**

Darryl Aaron	Phillip McCall
Scott Baker	Heather Milligan
Charlie Brinkman	Allison Morrisette
Claudia Cannady	Bill Morrisette
Michele Deuterman	Nathan Myers
Manuel Dudley	Alan Overbey
Mandy Eaton	Brian Pierce
Kimberly B. Gatling	Antonia Monk Richburg
Jacquelean Gilliam	Dan Sctari
Tom Glaser	Leigha Smith
Mike Gillis	Gregg Strader
Niketa Greene	Adam Tarleton
John Houghtby	Tricia Teter
Jeff Johnson	Jane Trevey
Mark Kiel	Jamiah Waterman
Wanda Legrand	Sue D. White
Davida Martin	Benjamin Zuraw

**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

We have audited the accompanying financial statements of United Way of Greater Greensboro, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2021 and 2020, 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.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

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

*Bernard Robinson & Company, L.L.P.*

Greensboro, North Carolina  
November 17, 2021

**UNITED WAY OF GREATER GREENSBORO, INC.**  
**Statements of Financial Position**  
**June 30, 2021 and 2020**

	<u>Assets</u>	
	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash and cash equivalents	\$ 10,755,253	\$ 1,444,184
Investments, at fair value	11,308,003	9,825,390
Current portion of pledges receivable	2,691,285	2,681,894
Other receivables	237,280	232,490
Prepaid expenses	44,355	43,653
Total current assets	<u>25,036,176</u>	<u>14,227,611</u>
Noncurrent Assets:		
Pledges receivable, less current portion, net	45,679	155,679
Beneficial interest in Foundation assets	3,291,850	2,680,102
Cash surrender value of life insurance (\$686,835 and \$709,906 face value at June 30, 2021 and 2020, respectively)	84,318	84,318
	<u>3,421,847</u>	<u>2,920,099</u>
Property and Equipment:		
Land	220,812	220,812
Buildings	1,450,072	1,450,072
Equipment	628,594	607,378
	<u>2,299,478</u>	<u>2,278,262</u>
Less accumulated depreciation	1,554,099	1,475,548
	<u>745,379</u>	<u>802,714</u>
Total assets	<u>\$ 29,203,402</u>	<u>\$ 17,950,424</u>
	<u>Liabilities and Net Assets</u>	
Current Liabilities:		
Accounts payable	\$ 31,312	\$ 235,034
Accrued expenses	65,665	67,250
Allocations and designations payable	4,561,622	4,869,706
Total current liabilities	<u>4,658,599</u>	<u>5,171,990</u>
Noncurrent Liabilities:		
Loan payable	382,200	335,000
Total liabilities	<u>5,040,799</u>	<u>5,506,990</u>
Net Assets:		
Without donor restrictions:		
Unappropriated	19,418,532	7,455,069
Board appropriated	518,924	621,101
	<u>19,937,456</u>	<u>8,076,170</u>
With donor restrictions	4,225,147	4,367,264
Total net assets	<u>24,162,603</u>	<u>12,443,434</u>
Total liabilities and net assets	<u>\$ 29,203,402</u>	<u>\$ 17,950,424</u>

*See Notes to Financial Statements*

**UNITED WAY OF GREATER GREENSBORO, INC.**  
**Statements of Activities and Changes in Net Assets**  
**Years Ended June 30, 2021 and 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Gross campaign results	\$ 6,726,241	\$ 182,065	\$ 6,908,306	\$ 4,672,048	\$ 2,861,034	\$ 7,533,082
Less donor designations	499,375	-	499,375	777,486	-	777,486
Less provision for uncollectible	193,675	-	193,675	(112,553)	-	(112,553)
Net current campaign revenue	6,033,191	182,065	6,215,256	4,007,115	2,861,034	6,868,149
Campaign revenue - prior campaign, net	-	-	-	93,192	-	93,192
Campaign revenue - future campaign, net	-	438,211	438,211	-	535,861	535,861
Net campaign revenue	6,033,191	620,276	6,653,467	4,100,307	3,396,895	7,497,202
Net income from investments	1,496,703	-	1,496,703	434,880	3,887	438,767
Net income (loss) from beneficial interest in						
Foundation assets	725,088	-	725,088	(26,096)	(82,717)	(108,813)
Greensboro Virus Relief Fund contributions	-	450,789	450,789	-	1,706,412	1,706,412
Designations - other community campaigns	95,038	-	95,038	120,764	-	120,764
Grant and gift revenue	10,000,000	3,153	10,003,153	-	3,028	3,028
Sponsorship income	134,681	-	134,681	209,637	-	209,637
Other revenue	355,419	-	355,419	71,266	-	71,266
Net assets released from restrictions	1,216,335	(1,216,335)	-	5,617,559	(5,617,559)	-
Total support and revenue	20,056,455	(142,117)	19,914,338	10,528,317	(590,054)	9,938,263
Functional Expenses:						
Allocations and grants	3,292,762	-	3,292,762	5,816,200	-	5,816,200
Other community programs	2,913,744	-	2,913,744	2,798,829	-	2,798,829
Administration	1,002,021	-	1,002,021	986,733	-	986,733
Fund development	986,642	-	986,642	1,024,835	-	1,024,835
Total functional expenses	8,195,169	-	8,195,169	10,626,597	-	10,626,597
Changes in net assets	11,861,286	(142,117)	11,719,169	(98,280)	(590,054)	(688,334)
Net assets, beginning of year	8,076,170	4,367,264	12,443,434	8,174,450	4,957,318	13,131,768
Net assets, end of year	\$ 19,937,456	\$ 4,225,147	\$ 24,162,603	\$ 8,076,170	\$ 4,367,264	\$ 12,443,434

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
<b>Discretionary allocations</b>	<b>3,288,577</b>	<b>2,079,551</b>	<b>5,368,128</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,368,128</b>
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
<b>Total salaries and related costs</b>	<b>3,480</b>	<b>709,193</b>	<b>712,673</b>	<b>842,380</b>	<b>805,335</b>	<b>1,647,715</b>	<b>2,360,388</b>
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
<b>Total other expenses</b>	<b>705</b>	<b>125,000</b>	<b>125,705</b>	<b>159,641</b>	<b>181,307</b>	<b>340,948</b>	<b>466,653</b>
<b>Total functional expenses</b>	<b>\$ 3,292,762</b>	<b>\$ 2,913,744</b>	<b>\$ 6,206,506</b>	<b>\$ 1,002,021</b>	<b>\$ 986,642</b>	<b>\$ 1,988,663</b>	<b>\$ 8,195,169</b>

**UNITED WAY OF GREATER GREENSBORO, INC.**

**Statement of Functional Expenses**

**Year Ended June 30, 2020**

	Program Services			Supporting Services			
	Allocations and Grants	Other Community Programs	Total Program Services	Administration	Fund Development	Total Support Services	Total
Allocations and awards	\$ 6,588,553	\$ 1,836,217	\$ 8,424,770	\$ -	\$ -	\$ -	\$ 8,424,770
Less donor designations	777,486	-	777,486	-	-	-	777,486
<b>Discretionary allocations</b>	<b>5,811,067</b>	<b>1,836,217</b>	<b>7,647,284</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,647,284</b>
Salaries and contracted labor	3,138	683,641	686,779	633,137	598,343	1,231,480	1,918,259
Employee benefits	445	88,635	89,080	68,027	127,928	195,955	285,035
Payroll taxes	167	33,232	33,399	44,284	48,030	92,314	125,713
<b>Total salaries and related costs</b>	<b>3,750</b>	<b>805,508</b>	<b>809,258</b>	<b>745,448</b>	<b>774,301</b>	<b>1,519,749</b>	<b>2,329,007</b>
Fundraising, printing, publications and advertising	659	40,905	41,564	29,417	54,401	83,818	125,382
Support of state and national United Way	208	41,301	41,509	41,599	59,664	101,263	142,772
Professional fees	200	8,193	8,393	63,508	42,731	106,239	114,632
Depreciation	120	23,977	24,097	24,149	34,634	58,783	82,880
Occupancy	88	17,496	17,584	17,622	25,274	42,896	60,480
Rental and maintenance of equipment	25	4,683	4,708	4,753	7,080	11,833	16,541
Telephone and internet service	29	5,849	5,878	4,839	7,966	12,805	18,683
Postage and shipping	2	241	243	4,881	6,855	11,736	11,979
Travel and staff development	52	4,727	4,779	45,045	5,718	50,763	55,542
Miscellaneous	-	9,732	9,732	5,472	6,211	11,683	21,415
<b>Total other expenses</b>	<b>1,383</b>	<b>157,104</b>	<b>158,487</b>	<b>241,285</b>	<b>250,534</b>	<b>491,819</b>	<b>650,306</b>
<b>Total functional expenses</b>	<b>\$ 5,816,200</b>	<b>\$ 2,798,829</b>	<b>\$ 8,615,029</b>	<b>\$ 986,733</b>	<b>\$ 1,024,835</b>	<b>\$ 2,011,568</b>	<b>\$ 10,626,597</b>

**UNITED WAY OF GREATER GREENSBORO, INC.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Changes in net assets	<b>\$ 11,719,169</b>	\$ (688,334)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Provision for uncollectible pledges	-	(322,746)
Depreciation	<b>78,551</b>	82,880
Net gain on investments including change in beneficial interest	<b>(1,278,013)</b>	(55,405)
Interest and dividends	<b>(332,030)</b>	(274,833)
Forgiveness of loan payable	<b>(335,000)</b>	-
(Increase) decrease in:		
Pledges receivable	<b>100,609</b>	458,446
Other receivables	<b>(4,790)</b>	(23,488)
Prepaid expenses	<b>(702)</b>	7,165
Cash surrender value of life insurance	-	9,399
Increase (decrease) in:		
Accounts payable and accrued expenses	<b>(203,722)</b>	(136,816)
Accrued expenses	<b>(1,585)</b>	19,223
Allocations and designations payable	<b>(308,084)</b>	(504,154)
Net cash provided by (used in) operating activities	<b><u>9,434,403</u></b>	<b><u>(1,428,663)</u></b>
Cash flows from investing activities:		
Purchase of investments	<b>(726,929)</b>	(21,979)
Proceeds from sale of investments	<b>129,271</b>	500,000
Payment from Foundation	<b>113,340</b>	113,391
Purchase of equipment	<b>(21,216)</b>	(10,022)
Net cash provided by (used in) investing activities	<b><u>(505,534)</u></b>	<b><u>581,390</u></b>
Cash flows from financing activities:		
Proceeds from issuance of loan payable	<b>382,200</b>	335,000
Net cash provided by financing activities	<b><u>382,200</u></b>	<b><u>335,000</u></b>
Increase (decrease) in cash and cash equivalents	<b>9,311,069</b>	(512,273)
Cash and cash equivalents - beginning	<b><u>1,444,184</u></b>	<u>1,956,457</u>
Cash and cash equivalents - ending	<b><u><u>\$ 10,755,253</u></u></b>	<b><u><u>\$ 1,444,184</u></u></b>

# UNITED WAY OF GREATER GREENSBORO, INC.

## Notes to Financial Statements

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### 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**

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#### 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, 2021 and 2020, 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**

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## 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, 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>

The following are the assets measured at fair value as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Investments	\$ 9,825,390	\$ -	\$ -	\$ 9,825,390
Beneficial interest in Foundation assets	-	-	2,680,102	2,680,102
	<u>\$ 9,825,390</u>	<u>\$ -</u>	<u>\$ 2,680,102</u>	<u>\$ 12,505,492</u>

There were no liabilities measured at fair value at June 30, 2021 and 2020.

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

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#### 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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 2,680,102	\$ 2,902,306
Interest and dividends	46,640	69,693
Gains (losses), net of fees	678,448	(178,506)
Appropriations	<u>(113,340)</u>	<u>(113,391)</u>
Balance, end of year	<u>\$ 3,291,850</u>	<u>\$ 2,680,102</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 2021 or 2020.

##### **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**

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#### 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 2021 and 2020.

##### **Reclassifications**

Certain prior year amounts were reclassified to conform to the current year presentation. The reclassifications have no effect on change in net assets or total net assets previously reported.

##### **Subsequent Events**

Management has evaluated events and transactions for potential recognition or disclosure through November 17, 2021, which is the date the financial statements were available to be issued.

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

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NOTE 2 - LIQUIDITY AND AVAILABILITY

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

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 10,755,253	\$ 1,444,184
Pledges receivable, net	2,691,285	2,681,894
Other receivables	237,280	232,490
Investments	<u>11,308,003</u>	<u>9,825,390</u>
Total financial assets	24,991,821	14,183,958
Pledges receivable past one year	(50,000)	(160,000)
Investments with donor restrictions	<u>(120,390)</u>	<u>(95,521)</u>
Amounts available within one year	<u><u>\$ 24,821,431</u></u>	<u><u>\$ 13,928,437</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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Pledges receivable from current year campaign	\$ 2,828,239	\$ 2,912,162
Pledges receivable for future campaign	19,146	35,832
Gross unconditional promises to give	<u>2,847,385</u>	<u>2,947,994</u>
Discount on multi-year pledges	(4,321)	(4,321)
Allowance for uncollectible pledges	<u>(106,100)</u>	<u>(106,100)</u>
Total	<u><u>\$ 2,736,964</u></u>	<u><u>\$ 2,837,573</u></u>
Amounts due in:		
Less than one year	\$ 2,797,385	
One to five years	<u>50,000</u>	
Gross unconditional promises to give	<u><u>\$ 2,847,385</u></u>	

At June 30, 2021, 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, 2021 and 2020, consists of the following:

	<u>2021</u>	<u>2020</u>
Initial reserve (4.0% of campaign pledges in 2021 and 2020)	\$ 294,591	\$ 323,651
Write-offs from prior years' campaigns, net of collections of amount previously written off and adjustment to allowance	(82,657)	(413,876)
	<u>\$ 211,934</u>	<u>\$ (90,225)</u>

Included in the statements of activities and changes in net assets for the years ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Without donor restrictions (current and past campaigns)	\$ 193,675	\$ (112,553)
With donor restrictions (future campaign)	18,259	22,328
	<u>\$ 211,934</u>	<u>\$ (90,225)</u>

**NOTE 4 - INVESTMENTS**

Investments, at fair value, at June 30, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Money market funds, at cost which approximates fair value	\$ 1,003,167	\$ 1,711,561
Bond and fixed interest funds (cost of \$5,670,098 and \$4,250,055)	5,569,416	4,537,125
Other mutual funds (cost of \$266,581 and \$3,107,593)	266,581	3,502,677
Common stock (cost of \$4,050,755 and \$63,207)	4,468,839	74,027
Total	<u>\$ 11,308,003</u>	<u>\$ 9,825,390</u>

Investment income, including the return on amounts held by the Foundation (Notes 4 and 5), consisted of the following:

	<u>Investments Directed by</u>		<u>Total</u>
	<u>Foundation</u>	<u>Organization</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>
<u>June 30, 2020:</u>			
Interest and dividends	\$ 69,693	\$ 274,833	\$ 344,526
Gain (loss) on investments carried at fair value	(146,312)	195,636	49,324
Investment management fees	(32,194)	(31,702)	(63,896)
	<u>\$ (108,813)</u>	<u>\$ 438,767</u>	<u>\$ 329,954</u>

## UNITED WAY OF GREATER GREENSBORO, INC.

### Notes to Financial Statements

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#### 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, 2021 and 2020.

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 2021 and 2020.

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

	Without Donor Restrictions	With Donor Restrictions	Total
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.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	<u>\$ 628,193</u>	<u>\$ 2,147,430</u>	<u>\$ 2,775,623</u>
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	<u>170,003</u>	<u>579,954</u>	<u>749,957</u>
Appropriation of endowment assets	<u>(26,547)</u>	<u>(86,793)</u>	<u>(113,340)</u>
Endowment net assets, end of year	<u>\$ 771,649</u>	<u>\$ 2,640,591</u>	<u>\$ 3,412,240</u>

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

## NOTE 5 - ENDOWMENT FUNDS (Continued)

At June 30, 2020, endowment net assets by type of fund comprised:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 621,101	\$ -	\$ 621,101
Donor restricted endowment funds:			
Original gift amounts and amount to be held in perpetuity	-	1,440,577	1,440,577
Accumulated investment gains	7,092	706,853	713,945
	<u>\$ 628,193</u>	<u>\$ 2,147,430</u>	<u>\$ 2,775,623</u>

The following summarizes changes in endowment net assets for the year ended June 30, 2020.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 680,064	\$ 2,317,945	\$ 2,998,009
Investment return:			
Investment income	8,559	32,367	40,926
Net change in value (realized and unrealized)	(33,889)	(111,197)	(145,086)
Total investment return	(25,330)	(78,830)	(104,160)
Appropriation of endowment assets	(26,541)	(91,685)	(118,226)
Endowment net assets, end of year	<u>\$ 628,193</u>	<u>\$ 2,147,430</u>	<u>\$ 2,775,623</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 the Organization's interest in pooled investment assets held by the Foundation and was \$3,291,850 and \$2,680,102 at June 30, 2021 and 2020, respectively.

## NOTE 7 - NET ASSETS

The Organization's net assets without donor restrictions at June 30, 2021 and 2020 is comprised of the following:

	2021	2020
Undesignated	<u>\$ 19,418,532</u>	<u>\$ 7,455,069</u>
Board appropriated:		
Basic community needs and general purpose	229,996	255,629
Innovation	281,932	281,932
Integrated service delivery	-	55,718
Mentoring	-	20,826
Other programs	6,996	6,996
Total board appropriated net assets	<u>518,924</u>	<u>621,101</u>
Total net assets without donor restrictions	<u>\$ 19,937,456</u>	<u>\$ 8,076,170</u>

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

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## NOTE 7 - NET ASSETS (Continued)

Net assets with donor restrictions at June 30, 2021 and 2020 is comprised of the following:

	<u>2021</u>	<u>2020</u>
Restricted for specific purpose:		
Integrated service delivery	\$ 1,429,136	\$ 1,426,223
Endowment returns subject to future appropriation	653,244	728,686
Organizational support	251,470	262,714
Emergency relief	130,847	91,541
Education	136,945	136,945
Basic community needs and general purpose	11,676	11,676
Health and wellness	5,976	5,976
Other programs	11,611	11,611
Restricted for future periods:		
Contributions received for next year's campaign (net of designations and allowances)	438,211	535,861
Perpetual restrictions:		
Organizational support	1,108,602	1,108,602
Emergency relief	47,429	47,429
Total net assets with donor restrictions	<u>\$ 4,225,147</u>	<u>\$ 4,367,264</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 \$87,000 and \$79,000 during 2021 and 2020, 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 unforgiven portion of the PPP loan is payable over two years, with a deferral of payments for the first six months. 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 has used the funds received for qualifying expenses and therefore believes the requirements for loan forgiveness will be met and no amounts will be required to be paid back. Forgiveness for the second loan has not been applied for or received as of the date of these financial statements.

**UNITED WAY OF GREATER GREENSBORO, INC.**

**Notes to Financial Statements**

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NOTE 10 - COVID-19 VIRUS

In March 2020, the United States and North Carolina declared a state of emergency due to the COVID-19 pandemic. The ongoing impact of the virus has continued to affect social interaction, economies, and financial markets. Currently, any potential continuing impact to the Organization's operations and financial condition is unknown.

To help mitigate the impact within the local community, the Greensboro Virus Relief Fund was established by United Way of Greater Greensboro, The City of Greensboro, and Community Foundation for Greater Greensboro. The objective of this program is to offer immediate financial assistance to nonprofit agencies in Guilford County in the areas related to Food Insecurity, Educational Interruption, Employment Reduction, Housing Vulnerability, Medical Access, and Business Disruption. During the year ended June 30, 2021, the fund received contributions of approximately \$450,000.

NOTE 11 - 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.