

UNITED WAY OF GREATER GREENSBORO, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023



UNITED WAY OF GREATER GREENSBORO, INC.
Officers and Board of Directors
June 30, 2024 and 2023

Officers

Chair of the Board:	Davida Martin
Board Chair:	Michele Deuterma
Secretary of the Board and Legal Counsel:	Bryan Starrett
President and CEO:	Frank McCain
Treasurer:	Jose Sandoval
Board Vice Chair:	Scott Baker

Board of Directors

Tabitha Allen-Draft	Kathleen Kelly
Anthony Boyd	Wanda Cary Lea
Debra Batten Bingham	Jenni Marsh
Claudia Cannady	Phillip McCall
Tracie Catlett	Bryan McNeill
Tiffany Crenshaw	Heather Milligan
Tom Cromartie	Justin Outling
Manuel Dudley	Grant Ozipko
Mandy Eaton	Denise Patterson
Tim Gibson	Terri Shelton
Tom Glaser	Steve Swetoha
Niketa Greene	Wai Fung Thompson
Charrise Hart	Jamiah Waterman
Tricia Hale	Jill White
Renee Hultin	

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 financial statements of United Way of Greater Greensboro, Inc., which comprise the statements of financial position as of June 30, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of United Way of Greater Greensboro, 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 (GAAS). 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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
April 30, 2025

UNITED WAY OF GREATER GREENSBORO, INC.
Statements of Financial Position
June 30, 2024 and 2023

	<u>Assets</u>	
	<u>2024</u>	<u>2023</u>
Current Assets:		
Cash and cash equivalents	\$ 2,908,185	\$ 3,833,564
Investments, at fair value	14,151,871	13,368,311
Current portion of pledges receivable	2,655,994	2,943,877
Other receivables	161,429	248,553
Prepaid expenses	44,771	119,444
Total current assets	<u>19,922,250</u>	<u>20,513,749</u>
Other Assets:		
Operating lease right-of-use assets, net	13,080	-
Beneficial interest in Foundation assets	3,021,403	2,840,991
Cash surrender value of life insurance (\$300,000 face value at June 30, 2024 and 2023, respectively)	84,313	75,466
Total other assets	<u>3,118,796</u>	<u>2,916,457</u>
Property and Equipment:		
Land	220,812	220,812
Buildings	1,450,072	1,450,072
Equipment	651,045	649,077
	<u>2,321,929</u>	<u>2,319,961</u>
Less accumulated depreciation	1,780,500	1,713,272
Total property and equipment	<u>541,429</u>	<u>606,689</u>
Total assets	<u>\$ 23,582,475</u>	<u>\$ 24,036,895</u>
	<u>Liabilities and Net Assets</u>	
Current Liabilities:		
Accounts payable	\$ 574,121	\$ 396,864
Accrued expenses	112,521	125,780
Allocations and designations payable	3,118,714	3,702,075
Current portion of operating lease liabilities	5,709	-
Total current liabilities	<u>3,811,065</u>	<u>4,224,719</u>
Operating lease liabilities, less current portion	7,371	-
Total liabilities	<u>3,818,436</u>	<u>4,224,719</u>
Net Assets:		
Without donor restrictions:		
Unappropriated	16,555,366	16,152,615
Board appropriated	256,307	210,088
	<u>16,811,673</u>	<u>16,362,703</u>
With donor restrictions	2,952,366	3,449,473
Total net assets	<u>19,764,039</u>	<u>19,812,176</u>
Total liabilities and net assets	<u>\$ 23,582,475</u>	<u>\$ 24,036,895</u>

See Notes to Financial Statements

UNITED WAY OF GREATER GREENSBORO, INC.
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Gross campaign results	\$ 5,167,650	\$ 1,477,656	\$ 6,645,306	\$ 5,444,554	\$ 1,013,676	\$ 6,458,230
Less donor designations	698,893	-	698,893	269,987	-	269,987
Less provision for uncollectible	470,676	-	470,676	222,209	-	222,209
Net current campaign revenue	3,998,081	1,477,656	5,475,737	4,952,358	1,013,676	5,966,034
Campaign revenue - future campaign, net	-	-	-	-	317,625	317,625
Net campaign revenue	3,998,081	1,477,656	5,475,737	4,952,358	1,331,301	6,283,659
Net income from investments	1,841,775	-	1,841,775	1,303,067	-	1,303,067
Net income from beneficial interest in						
Foundation assets	297,653	-	297,653	285,393	-	285,393
Designations - other community campaigns	50,554	-	50,554	156,827	-	156,827
Grant and gift revenue	204,980	-	204,980	-	3,172	3,172
Sponsorship income	130,976	-	130,976	142,895	-	142,895
Other revenue	98,543	-	98,543	84,905	-	84,905
Net assets released from restrictions	1,974,763	(1,974,763)	-	1,926,570	(1,926,570)	-
Total support and revenue	8,597,325	(497,107)	8,100,218	8,852,015	(592,097)	8,259,918
Functional Expenses:						
Allocations and grants	1,769,444	-	1,769,444	2,778,484	-	2,778,484
Other community programs	4,574,295	-	4,574,295	4,019,756	-	4,019,756
Administration	221,859	-	221,859	687,780	-	687,780
Fund development	1,582,757	-	1,582,757	1,351,710	-	1,351,710
Total functional expenses	8,148,355	-	8,148,355	8,837,730	-	8,837,730
Changes in net assets	448,970	(497,107)	(48,137)	14,285	(592,097)	(577,812)
Net assets, beginning of year	16,362,703	3,449,473	19,812,176	16,348,418	4,041,570	20,389,988
Net assets, end of year	\$ 16,811,673	\$ 2,952,366	\$ 19,764,039	\$ 16,362,703	\$ 3,449,473	\$ 19,812,176

See Notes to Financial Statements

UNITED WAY OF GREATER GREENSBORO, INC.
Statement of Functional Expenses
Year Ended June 30, 2024

	Program Services			Supporting Services			
	Allocations and Grants	Other Community Programs	Total Program Services	Administration	Fund Development	Total Support Services	Total
Allocations and awards	\$ 2,468,337	\$ 1,729,163	\$ 4,197,500	\$ -	\$ -	\$ -	\$ 4,197,500
Less donor designations	698,893	-	698,893	-	-	-	698,893
Discretionary allocations	<u>1,769,444</u>	<u>1,729,163</u>	<u>3,498,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,498,607</u>
Salaries and contracted labor	-	2,138,652	2,138,652	120,668	1,121,629	1,242,297	3,380,949
Employee benefits	-	118,571	118,571	5,758	108,872	114,630	233,201
Payroll taxes	-	88,753	88,753	7,513	82,956	90,469	179,222
Total salaries and related costs	<u>-</u>	<u>2,345,976</u>	<u>2,345,976</u>	<u>133,939</u>	<u>1,313,457</u>	<u>1,447,396</u>	<u>3,793,372</u>
Fundraising, printing, publications and advertising	-	4,937	4,937	-	16,659	16,659	21,596
Support of state and national United Way	-	40,803	40,803	11,086	20,385	31,471	72,274
Materials, events and supplies	-	178,190	178,190	3,036	55,261	58,297	236,487
Professional fees	-	14,587	14,587	35,533	70,609	106,142	120,729
Depreciation	-	37,954	37,954	10,312	18,962	29,274	67,228
Occupancy	-	53,372	53,372	14,500	26,665	41,165	94,537
Rental and maintenance of equipment	-	8,559	8,559	2,325	4,276	6,601	15,160
Telephone and internet service	-	5,233	5,233	1,202	2,480	3,682	8,915
Membership dues and subscriptions	-	11,274	11,274	2,963	11,968	14,931	26,205
Postage and shipping	-	521	521	135	11,323	11,458	11,979
Travel and staff development	-	128,846	128,846	734	5,907	6,641	135,487
Miscellaneous	-	14,880	14,880	6,094	24,805	30,899	45,779
Total other expenses	<u>-</u>	<u>499,156</u>	<u>499,156</u>	<u>87,920</u>	<u>269,300</u>	<u>357,220</u>	<u>856,376</u>
Total functional expenses	<u>\$ 1,769,444</u>	<u>\$ 4,574,295</u>	<u>\$ 6,343,739</u>	<u>\$ 221,859</u>	<u>\$ 1,582,757</u>	<u>\$ 1,804,616</u>	<u>\$ 8,148,355</u>

See Notes to Financial Statements

UNITED WAY OF GREATER GREENSBORO, INC.
Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services			Supporting Services			
	Allocations and Grants	Other Community Programs	Total Program Services	Administration	Fund Development	Total Support Services	Total
Allocations and awards	\$ 3,048,471	\$ 1,077,315	\$ 4,125,786	\$ -	\$ -	\$ -	\$ 4,125,786
Less donor designations	269,987	-	269,987	-	-	-	269,987
Discretionary allocations	<u>2,778,484</u>	<u>1,077,315</u>	<u>3,855,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,855,799</u>
Salaries and contracted labor	-	2,165,986	2,165,986	344,534	1,037,907	1,382,441	3,548,427
Employee benefits	-	124,978	124,978	22,186	121,277	143,463	268,441
Payroll taxes	-	68,410	68,410	15,591	66,699	82,290	150,700
Total salaries and related costs	<u>-</u>	<u>2,359,374</u>	<u>2,359,374</u>	<u>382,311</u>	<u>1,225,883</u>	<u>1,608,194</u>	<u>3,967,568</u>
Fundraising, printing, publications and advertising	-	4,324	4,324	934	36,291	37,225	41,549
Support of state and national United Way	-	122,692	122,692	90,032	-	90,032	212,724
Materials, events and supplies	-	161,733	161,733	6,374	69,369	75,743	237,476
Professional fees	-	60,970	60,970	44,893	80	44,973	105,943
Depreciation	-	44,889	44,889	32,940	-	32,940	77,829
Occupancy	-	43,261	43,261	31,745	-	31,745	75,006
Rental and maintenance of equipment	-	9,350	9,350	6,861	-	6,861	16,211
Telephone and internet service	-	4,614	4,614	3,385	18	3,403	8,017
Membership dues and subscriptions	-	5,864	5,864	4,164	6,353	10,517	16,381
Postage and shipping	-	820	820	589	10,977	11,566	12,386
Travel and staff development	-	21,559	21,559	8,024	1,053	9,077	30,636
Miscellaneous	-	102,991	102,991	75,528	1,686	77,214	180,205
Total other expenses	<u>-</u>	<u>583,067</u>	<u>583,067</u>	<u>305,469</u>	<u>125,827</u>	<u>431,296</u>	<u>1,014,363</u>
Total functional expenses	<u>\$ 2,778,484</u>	<u>\$ 4,019,756</u>	<u>\$ 6,798,240</u>	<u>\$ 687,780</u>	<u>\$ 1,351,710</u>	<u>\$ 2,039,490</u>	<u>\$ 8,837,730</u>

See Notes to Financial Statements

UNITED WAY OF GREATER GREENSBORO, INC.**Statements of Cash Flows****Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Changes in net assets	\$ (48,137)	\$ (577,812)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Provision for uncollectible pledges	(10,832)	-
Depreciation	67,228	77,829
Net gain on investments including change in beneficial interest	(1,757,328)	(1,062,326)
Reinvested interest and dividends	(337,385)	(526,134)
(Increase) decrease in:		
Pledges receivable	298,715	146,582
Other receivables	87,124	20,811
Prepaid expenses	74,673	(76,914)
Cash surrender value of life insurance	(8,847)	8,852
Increase (decrease) in:		
Accounts payable	177,257	(81,164)
Accrued expenses	(13,259)	59,030
Allocations and designations payable	(583,361)	(354,567)
Net cash used in operating activities	<u>(2,054,152)</u>	<u>(2,365,813)</u>
Cash flows from investing activities:		
Purchase of investments	(4,910,437)	(6,886,326)
Proceeds from sale of investments	5,923,937	10,396,287
Payment from Foundation	117,241	112,191
Purchase of equipment	(1,968)	(16,493)
Net cash provided by investing activities	<u>1,128,773</u>	<u>3,605,659</u>
Increase (decrease) in cash and cash equivalents	(925,379)	1,239,846
Cash and cash equivalents - beginning	<u>3,833,564</u>	<u>2,593,718</u>
Cash and cash equivalents - ending	<u>\$ 2,908,185</u>	<u>\$ 3,833,564</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, 2024 and 2023, 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 3 and 7) 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, 2024:

	Level 1	Level 2	Level 3	Total
Short term investments	\$ 264,566	\$ -	\$ -	\$ 264,566
Bonds	3,774,247	-	-	3,774,247
Common stocks	8,658,597	-	-	8,658,597
Equities	87,309	-	-	87,309
Other	1,367,152	-	-	1,367,152
Beneficial interest in Foundation assets	-	-	3,021,403	3,021,403
	<u>\$ 14,151,871</u>	<u>\$ -</u>	<u>\$ 3,021,403</u>	<u>\$ 17,173,274</u>

The following are the assets measured at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Short term investments	\$ 463,479	\$ -	\$ -	\$ 463,479
Bonds	4,053,058	-	-	4,053,058
Common stocks	7,827,496	-	-	7,827,496
Equities	77,965	-	-	77,965
Other	946,313	-	-	946,313
Beneficial interest in Foundation assets	-	-	2,840,991	2,840,991
	<u>\$ 13,368,311</u>	<u>\$ -</u>	<u>\$ 2,840,991</u>	<u>\$ 16,209,302</u>

There were no liabilities measured at fair value at June 30, 2024 and 2023.

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 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.

The changes in the beneficial interest in the Foundation assets (Level 3 inputs to determine the fair values) for the year ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 2,840,991	\$ 2,667,789
Interest and dividends	57,512	52,860
Gains, net of fees	240,141	238,361
Appropriations	<u>(117,241)</u>	<u>(118,019)</u>
Balance, end of year	<u>\$ 3,021,403</u>	<u>\$ 2,840,991</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 2024 or 2023.

Leases

At the commencement of a lease, the Organization assesses whether the lease represents an operating or financing lease. Operating leases are included in the balance sheet as a right-of-use ("ROU") asset and a corresponding lease liability. Financing leases are recorded in property and equipment and corresponding lease liability. The Organization has elected not to recognize a right-of-use asset or lease liability for leases with an initial term of 12 months or less that do not include a purchase option that is reasonably expected to be exercised.

UNITED WAY OF GREATER GREENSBORO, INC.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Right-of use assets and lease liabilities are recognized at the commencement date. The lease liabilities are measured at the present value of the lease payments over the lease term. The Organization uses the rate implicit in the lease if it is determinable. If not determinable, the Organization has elected the practical expedient to use the risk-free rate for all classes of underlying assets. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised.

To the extent a lease agreement includes both lease and nonlease components, the Organization has elected to account for lease and nonlease components separately.

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.

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.

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 2024 and 2023.

UNITED WAY OF GREATER GREENSBORO, INC.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through April 30, 2025, which is the date the financial statements were available to be issued.

NOTE 2 - LIQUIDITY AND AVAILABILITY

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

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 2,908,185	\$ 3,833,564
Pledges receivable, net	2,655,994	2,943,877
Other receivables	161,429	248,553
Investments	<u>14,151,871</u>	<u>13,368,311</u>
Total financial assets	19,877,479	20,394,305
Investments with donor restrictions	<u>(109,844)</u>	<u>(101,898)</u>
Amounts available within one year	<u>\$ 19,767,635</u>	<u>\$ 20,292,407</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.

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

NOTE 3 - INVESTMENTS

Investments, at fair value, at June 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Bond and fixed interest funds (cost of \$4,496,833 and \$5,005,161)	\$ 4,144,562	\$ 4,598,939
Other mutual funds (cost of \$1,311,440 and \$1,066,394)	1,348,712	941,876
Common stock (cost of \$7,115,306 and \$7,257,922)	8,658,597	7,827,496
Total	<u>\$ 14,151,871</u>	<u>\$ 13,368,311</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, 2024:</u>			
Interest and dividends	\$ 57,511	\$ 337,385	\$ 394,896
Gain on investments carried at fair value	278,638	1,570,181	1,848,819
Investment management fees	(38,496)	(65,791)	(104,287)
	<u>\$ 297,653</u>	<u>\$ 1,841,775</u>	<u>\$ 2,139,428</u>
<u>June 30, 2023:</u>			
Interest and dividends	\$ 52,860	\$ 526,134	\$ 578,994
Gain on investments carried at fair value	268,792	827,094	1,095,886
Investment management fees	(36,259)	(50,161)	(86,420)
	<u>\$ 285,393</u>	<u>\$ 1,303,067</u>	<u>\$ 1,588,460</u>

NOTE 4 - PLEDGES RECEIVABLE AND ALLOWANCES FOR UNCOLLECTIBLE PLEDGES

Pledges receivable and the related allowances for uncollectible pledges at June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Pledges receivable from current year campaign	\$ 2,774,320	\$ 3,073,035
Allowance for uncollectible pledges	(118,326)	(129,158)
Total	<u>\$ 2,655,994</u>	<u>\$ 2,943,877</u>

The net charges to expense for uncollectible pledges for the years ended June 30, 2024 and 2023, consists of the following:

	<u>2024</u>	<u>2023</u>
Initial reserve (4.0% of campaign pledges in 2024 and 2023)	\$ 265,812	\$ 271,564
Write-offs from prior years' campaigns, net of collections of amount previously written off and adjustment to allowance	204,864	(36,121)
	<u>\$ 470,676</u>	<u>\$ 235,443</u>

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

**NOTE 4 - PLEDGES RECEIVABLE AND ALLOWANCES FOR UNCOLLECTIBLE PLEDGES
(Continued)**

Included in the statements of activities and changes in net assets for the years ended June 30, 2024 and 2023 is as follows:

	2024	2023
Without donor restrictions (current and past campaigns)	\$ 470,676	\$ 222,209
With donor restrictions (future campaign)	-	13,234
	<u>\$ 470,676</u>	<u>\$ 235,443</u>

NOTE 5 - LEASES

The Organization leases postage equipment under an operating lease agreement for \$500 a month, which expires in September 2026.

The components of lease expense for the year ended June 30, 2024 are as follows:

Operating lease expense	\$ 5,996
Short-term lease expense	3,651
	<u>\$ 9,647</u>

Other information:

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

Operating cash flows from operating leases	\$ 5,996
Weighted-average remaining lease term in years for operating leases	2.25
Weighted-average discount rate for operating leases	2.88%

Maturities of operating lease payments due are as follows:

<u>Year Ending June 30,</u>	
2025	\$ 5,996
2026	5,996
2027	1,500
Total lease payments	13,492
Less: present value discount	(412)
Present value of lease liabilities	<u>\$ 13,080</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 \$3,021,403 and \$2,840,991 at June 30, 2024 and 2023, respectively.

UNITED WAY OF GREATER GREENSBORO, INC.

Notes to Financial Statements

NOTE 7 - 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, 2024 and 2023.

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 2024 and 2023.

At June 30, 2024, endowment net assets by type of fund comprised:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 256,307	\$ -	\$ 256,307
Donor restricted endowment funds:			
Original gift amounts and amount to be held in perpetuity	-	1,156,031	1,156,031
Accumulated investment gains	413,328	1,195,737	1,609,065
	<u>\$ 669,635</u>	<u>\$ 2,351,768</u>	<u>\$ 3,021,403</u>

The following summarizes changes in endowment net assets for the year ended June 30, 2024.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 988,632	\$ 1,954,257	\$ 2,942,889
Investment return:			
Investment income	13,329	46,398	59,727
Net change in value (realized and unrealized)	(305,106)	445,673	140,567
Total investment return	(291,777)	492,071	200,294
Appropriation of endowment assets	(27,220)	(94,560)	(121,780)
Endowment net assets, end of year	<u>\$ 669,635</u>	<u>\$ 2,351,768</u>	<u>\$ 3,021,403</u>

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

NOTE 7 - ENDOWMENT FUNDS (Continued)

At June 30, 2023, endowment net assets by type of fund comprised:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 210,088	\$ -	\$ 210,088
Donor restricted endowment funds:			
Original gift amounts and amount to be held in perpetuity	-	1,164,987	1,164,987
Accumulated investment gains	778,544	789,270	1,567,814
	<u>\$ 988,632</u>	<u>\$ 1,954,257</u>	<u>\$ 2,942,889</u>

The following summarizes changes in endowment net assets for the year ended June 30, 2023.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 917,558	\$ 1,821,880	\$ 2,739,438
Investment return:			
Investment income	12,260	42,561	54,821
Net change in value (realized and unrealized)	68,862	197,787	266,649
Total investment return	81,122	240,348	321,470
Appropriation of endowment assets	(10,048)	(107,971)	(118,019)
Endowment net assets, end of year	<u>\$ 988,632</u>	<u>\$ 1,954,257</u>	<u>\$ 2,942,889</u>

NOTE 8 - NET ASSETS

The Organization's net assets without donor restrictions at June 30, 2024 and 2023 is comprised of the following:

	2024	2023
Undesignated	\$ 16,555,366	\$ 16,152,615
Board appropriated:		
Basic community needs and general purpose	256,307	210,088
Total net assets without donor restrictions	<u>\$ 16,811,673</u>	<u>\$ 16,362,703</u>

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

NOTE 8 - NET ASSETS (Continued)

Net assets with donor restrictions at June 30, 2024 and 2023 is comprised of the following:

	<u>2024</u>	<u>2023</u>
Restricted for specific purpose:		
Integrated service delivery	\$ 387,052	\$ 971,296
Endowment returns subject to future appropriation	903,048	511,722
Organizational support	292,689	277,548
Emergency relief	169,026	161,775
Basic community needs and general purpose	44,520	44,520
Restricted for future periods:		
Contributions received for next year's campaign (net of designations and allowances)	-	317,625
Perpetual restrictions:		
Organizational support	1,108,602	1,117,558
Emergency relief	47,429	47,429
Total net assets with donor restrictions	<u>\$ 2,952,366</u>	<u>\$ 3,449,473</u>

NOTE 9 - 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 \$64,886 and \$55,459 during 2024 and 2023, respectively.