

**UNITED WAY OF ALAMANCE COUNTY, INC**

Burlington, North Carolina

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

Fiscal Year Ended June 30, 2021

With Summarized Comparative Totals for June 30, 2020

**UNITED WAY OF ALAMANCE COUNTY, INC.**

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**STOUT  
STUART  
McGOWEN  
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*Certified  
Public  
Accountants*

*Advisors to  
Management*

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
United Way of Alamance County, Inc.  
Burlington, North Carolina

We have audited the accompanying financial statements of United Way of Alamance County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 audit 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes 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.

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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 Alamance County, Inc. as of June 30, 2021 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Allocations and Designations is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Report on Summarized Comparative Information***

We have previously audited the United Way of Alamance County, Inc. June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 3, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

STOUT STUART M'GOWEN & KINGS LLP

Burlington, North Carolina  
February 16, 2022

## UNITED WAY OF ALAMANCE COUNTY, INC.

## STATEMENTS OF FINANCIAL POSITION

June 30, 2021 with Comparative Totals for June 30, 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 235,987	\$ 61,439
Pledges receivable, net	199,047	292,519
Refundable sales tax receivable	297	752
Funds held by others	223,413	161,438
Prepaid assets	627	11,427
Property and equipment, net	479,117	504,826
Cash held for others	66,899	79,399
Beneficial interest in perpetual trust	268,355	211,737
	<u>\$ 1,473,742</u>	<u>\$ 1,323,537</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 376	\$ 3,753
Payroll deductions and accruals	400	-
Donor designations payable	67,638	73,260
Deferred grant income	22,500	-
Conditional contribution - PPP funding	-	86,893
Funds held for others	66,899	79,399
Total Liabilities	<u>157,813</u>	<u>243,305</u>
Net Assets:		
Without donor restrictions	814,040	557,133
With donor restrictions	501,889	523,099
Total Net Assets	<u>1,315,929</u>	<u>1,080,232</u>
	<u>\$ 1,473,742</u>	<u>\$ 1,323,537</u>

See accompanying notes and independent auditors' report.

## UNITED WAY OF ALAMANCE COUNTY, INC.

## STATEMENTS OF ACTIVITIES

Fiscal Year Ended June 30, 2021 with Comparative Totals for June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
Revenue and Support:				
Gross campaign results	\$ -	\$ 791,496	\$ 791,496	\$ 885,573
Less: Donor designations	-	(94,962)	(94,962)	(80,487)
Less: Provision for uncollectible	-	(9,337)	(9,337)	(12,540)
Less: Roll off of 3rd prior year	-	(37,250)	(37,250)	(26,612)
Net Campaign Revenue	-	649,947	649,947	765,934
Other revenue				
Service revenue	-	6,218	6,218	26,555
Investment income (loss)	53,294	56,619	109,913	(8,694)
Help4Alamance	-	-	-	175,992
Other revenue	8,682	-	8,682	8,692
Grants received	-	118,750	118,750	88,712
Special events revenue	-	-	-	26,077
Costs of special events	-	-	-	(8,488)
In-kind contributions	25,850	-	25,850	11,815
Paycheck Protection Program grant	86,893	-	86,893	-
Net assets released from restrictions	852,744	(852,744)	-	-
Total Other Revenue	1,027,463	(671,157)	356,306	320,661
Total Revenue and Support	1,027,463	(21,210)	1,006,253	1,086,595
Expenses:				
Program services:				
Gross agency disbursements	277,343	-	277,343	488,926
Less: Donor designated amounts	(94,962)	-	(94,962)	(80,487)
Net allocation services	182,381	-	182,381	408,439
Community services	362,328	-	362,328	487,403
Total Program Services	544,709	-	544,709	895,842
Support services:				
Management & general	81,213	-	81,213	95,745
Fundraising	144,634	-	144,634	183,402
Total Support Services	225,847	-	225,847	279,147
Total Expenses	770,556	-	770,556	1,174,989
Change in Net Assets	256,907	(21,210)	235,697	(88,394)
Net Assets, Beginning of Year	557,133	523,099	1,080,232	1,168,626
Net Assets, End of Year	\$ 814,040	\$ 501,889	\$ 1,315,929	\$ 1,080,232

See accompanying notes and independent auditor's report.

## UNITED WAY OF ALAMANCE COUNTY, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES

Fiscal Year Ended June 30, 2021 with Comparative Totals for June 30, 2020

	Program Services			Supporting Services			Total 2021	Total 2020
	Allocation Services	Community Services	Total	Management and General	Fundraising	Total		
Allocations / Awards	\$ 277,343	\$ -	\$ 277,343	\$ -	\$ -	\$ -	\$ 277,343	\$ 488,926
2-1-1	-	12,463	12,463	-	-	-	12,463	12,463
Less: Donor designations	(94,962)	-	(94,962)	-	-	-	(94,962)	(80,487)
Subtotal	182,381	12,463	194,844	-	-	-	194,844	420,902
Salaries	-	127,305	127,305	44,067	73,445	117,512	244,817	292,810
Payroll taxes	-	9,471	9,471	3,278	5,464	8,742	18,213	25,379
Employee benefits	-	20,342	20,342	7,041	11,736	18,777	39,119	52,160
Subtotal	-	157,118	157,118	54,386	90,645	145,031	302,149	370,349
Bank and credit card fees	-	2,313	2,313	801	1,334	2,135	4,448	5,839
Campaign expenses	-	-	-	-	11,425	11,425	11,425	26,811
Computer equipment and support	-	5,875	5,875	2,034	3,390	5,424	11,299	17,217
Community impact	-	128,968	128,968	-	-	-	128,968	203,516
Conferences, meetings and luncheons	-	512	512	177	295	472	984	3,333
Depreciation	-	13,369	13,369	4,628	7,713	12,341	25,710	31,573
Insurance - Board of Directors	-	-	-	1,287	-	1,287	1,287	1,790
Marketing and development	-	120	120	3,503	5,839	9,342	9,462	15,204
Occupancy costs	-	5,403	5,403	1,870	3,117	4,987	10,390	10,047
Office supplies and postage	-	4,273	4,273	1,479	2,465	3,944	8,217	9,511
Other employee expenses	-	373	373	129	215	344	717	3,037
Professional fees	-	11,766	11,766	4,073	6,788	10,861	22,627	24,144
United Way dues	-	11,647	11,647	4,032	6,719	10,751	22,398	17,120
Utilities	-	8,128	8,128	2,814	4,689	7,503	15,631	14,596
Subtotal	-	192,747	192,747	26,827	53,989	80,816	273,563	383,738
Functional Expenses	\$ 182,381	\$ 362,328	\$ 544,709	\$ 81,213	\$ 144,634	\$ 225,847	\$ 770,556	\$ 1,174,989

See accompanying notes and independent auditors' report.

## UNITED WAY OF ALAMANCE COUNTY, INC.

## STATEMENTS OF CASH FLOWS

Fiscal Year Ended June 30, 2021 with Comparative Totals for June 30, 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 235,697	\$ (88,394)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	25,710	31,573
Realized and unrealized (gains) and losses	(116,445)	6,688
(Increase) decrease in:		
Sales tax receivable	455	8,875
Pledges receivable, net	93,472	17,915
Prepaid assets	10,800	(7,202)
Increase (decrease) in:		
Accounts payable	(3,377)	(14,495)
Payroll deductions and accruals	400	(2,108)
Designations	(5,622)	(50,650)
Deferred grant income	22,500	-
Conditional contributions	(86,893)	86,893
Net Cash Provided (Used) by Operating Activities	<u>176,697</u>	<u>(10,905)</u>
Cash Flows from Investing Activities:		
Net endowment earnings	(2,149)	20,049
Withdrawals from endowments	-	100,000
Purchases of property and equipment	-	(1,925)
Net Cash Provided (Used) by Investing Activities	<u>(2,149)</u>	<u>118,124</u>
Cash Flows Used by Financing Activities:		
Proceeds from short-term debt	-	30,000
Payments of short-term debt	-	(120,420)
Net Cash Used by Financing Activities	<u>-</u>	<u>(90,420)</u>
Net Increase in Cash	174,548	16,799
Cash and cash equivalents, Beginning of Year	<u>61,439</u>	<u>44,640</u>
Cash and cash equivalents, End of Year	<u>\$ 235,987</u>	<u>\$ 61,439</u>
Supplemental Disclosures:		
Cash payments for interest	<u>\$ -</u>	<u>\$ 586</u>

See accompanying notes and independent auditors' report.



**UNITED WAY OF ALAMANCE COUNTY, INC.**

## Notes to Financial Statements

June 30, 2021

## NOTE A: Organization and Purpose:

The mission of the United Way of Alamance County is to radically decrease the number of people living in poverty by advancing social equity practices that promote social mobility and provide opportunities that build a resilient community. We envision a community that comes together to break down barriers, eliminate inequities, and end poverty.

## NOTE B: Summary of Significant Accounting Policies:

## 1) Basis of Presentation:

The financial statements of the Organization have been prepared on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the accounting period in which the revenues are earned regardless of when cash is received and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed.

## 2) Financial Statement Presentation:

The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and are available for use in the Organization’s ongoing operations, including funds designated by the Board of Directors.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions that either expire by passage of time, can be fulfilled and removed by action of the Organization pursuant to those restrictions, and/or upon receipt of funding or passage of date upon which funds were due. This category also includes net assets subject to donor-imposed restrictions that the principal be maintained permanently by the Organization and generally allow the use of investment earnings.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s June 30, 2020 financial statements, from which the summarized information was derived.

**UNITED WAY OF ALAMANCE COUNTY, INC.**

## Notes to Financial Statements

June 30, 2021

## NOTE B: Summary of Significant Accounting Policies: (continued)

## 3) Use of Estimates:

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

## 4) Cash and Cash Equivalents:

For the purpose of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

## 5) Concentration of Credit Risk:

The Organization maintains its cash in bank deposit amounts at high credit quality financial institutions. The balances, at times, may exceed federally insured credit limits. As of June 30, 2021, no cash deposits exceeded the federally insured limit.

## 6) Contributions Receivable and Revenues:

Contributions receivables are promises to give from various donors that are considered unconditional that consist of pledges made during the annual giving campaign and are presented net of an allowance of uncollectible accounts. Unconditional promises to give are expected to be collected within one year and recorded at their net realizable value. An allowance is recorded for each campaign year based on management's evaluation of outstanding pledges. Management considers current economic factors, historical trends, and history with specific donors. Actual results could vary from the estimate.

Unconditional contributions are recognized as revenue in the year the commitment or payments is first received. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

## 7) Donated Goods and Services:

It is the Organization's policy for donated marketable securities to be immediately sold upon receipt of the gift of the security. Donated marketable securities are recorded as contributions at the estimated fair values at the date of donation.

**UNITED WAY OF ALAMANCE COUNTY, INC.**

## Notes to Financial Statements

June 30, 2021

## NOTE B: Summary of Significant Accounting Policies: (continued)

## 7) Donated Goods and Services: (continued)

Donated goods received are reflected at their estimated fair value at the date of receipt. The Organization received \$0 and \$10,000 of in-kind advertising from local media for the years ended June 30, 2021 and 2020. This is recognized in these financial statements as in-kind contributions and marketing expense. In addition, in-kind contributions include \$25,850 and \$1,815, respectively, for the donation of food and a delivery truck for various campaign events and a food drive held during the year.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization receives a substantial amount of services donated by volunteers in carrying out the Organization's programs. No amounts are reflected in the financial statements for those services since they do not meet the criteria for recognition.

## 8) Donated Airtime:

United Way Worldwide (UWW) maintains relationships with the National Football League (NFL), the Ad Council, and other organizations on behalf of local United Ways. UWW underwrites the cost to produce Public Service Announcements that promote education, financial stability, and healthy living that features individuals who are involved in various local United Way community volunteer activities. The NFL, the Ad Council, and other organizations furnish the media space (television and radio airtime, newspaper and magazine print space, billboards, etc.) throughout the year at no cost to United Way. Management has elected to disclose an allocation of airtime based on a multiplication factor of annual dues. This factor is provided to local United Ways by UWW for application to the prior year's accounting. The allocated value of the donated media was estimated to be \$13,292 and \$8,514 for the years ended June 30, 2021 and 2020, respectively. The Organization has elected not to record the value of these relationships on the financial statements.

## 9) Donor Designations Payable:

Donor designations payable represents donor contributions directed to agencies and other United Ways accrued, but not yet paid, as of June 30, 2021 and 2020. The United Way reports donor designated contributions as agent transactions rather than as unconditional contributions in conformity with generally accepted accounting principles. Funds disbursed to nonprofit organizations are listed in the supplemental schedule of allocations and designations, broken down by amounts designated by the donor or allocated by the designated Organization.

**UNITED WAY OF ALAMANCE COUNTY, INC.**

## Notes to Financial Statements

June 30, 2021

## NOTE B: Summary of Significant Accounting Policies: (continued)

## 10) Fair Value Measurements:

U.S. GAAP established a fair value hierarchy that prioritizes the inputs to valuation techniques to measure fair value. Fair value is defined as the exchange value that would be received on the measurement date to sell an asset or to value the amount paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants. The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

## 11) Property and Equipment:

The Organization capitalizes all expenditures for property and equipment in excess of \$1,000 and/or with a useful life of 5 years or more. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of the donation. Maintenance, repairs, and minor renewals are expensed as incurred. Property retired or sold and the related accumulated depreciation are removed from the accounts and gain or loss is taken into income.

**UNITED WAY OF ALAMANCE COUNTY, INC.**

Notes to Financial Statements

June 30, 2021

NOTE B: Summary of Significant Accounting Policies: (continued)

12) Income Taxes:

The United Way is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes are included in the financial statements of the United Way. The United Way is also exempt from local property taxes.

United Way performs an annual assessment for any uncertainty in income tax positions which include an analysis of whether there are any tax positions related to unrelated business income or other activities that may jeopardize their tax exempt status and thus meet the criteria of an uncertain tax position. No tax liability accrual has been recorded as of the years ended June 30, 2021 and 2020 relating to material uncertain positions taken, as Management believes there are none. Generally, the Internal Revenue Service may examine a tax return for three years from the date the return is filed. At June 30, 2021, the tax years ended June 30, 2018, 2017, and 2016 remain open for possible examination by the IRS.

13) Functional Expenses:

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Certain costs have been allocated among the programs and supporting services benefited based on estimates of time and effort utilized.

NOTE C: Pledges Receivable:

Unconditional promises to give at June 30, 2021 and 2020, consist of the following:

	<u>2021</u>	<u>2020</u>
Receivables due in less than one year	\$ 241,283	\$ 337,755
Allowance for uncollectible	<u>(42,236)</u>	<u>(45,236)</u>
Net unconditional promises to give	<u>\$ 199,047</u>	<u>\$ 292,519</u>

NOTE D: Property and Equipment:

Depreciation of furniture, fixtures, and equipment is computed using the straight-line method of depreciation for assets acquired in 1987 and before and MACRS for assets acquired in 1988 and thereafter. Purchased equipment is recorded at cost. Depreciation expense totaled \$25,709 and \$31,573 for the years ended June 30, 2021 and 2020, respectively.

**UNITED WAY OF ALAMANCE COUNTY, INC.**

Notes to Financial Statements

June 30, 2021

NOTE D: Property and Equipment: (continued)

Property and equipment consisted of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Computer software	\$ 23,877	\$ 23,877
Furniture and fixtures	95,774	95,774
Equipment	6,183	6,183
Building	<u>497,713</u>	<u>497,713</u>
	623,547	623,547
Less: Accumulated depreciation	<u>(144,430)</u>	<u>(118,721)</u>
Property and equipment, net	<u>\$ 479,117</u>	<u>\$ 504,826</u>

NOTE E: Funds Held by Others:

The Organization established accounts with the Alamance Community Foundation, formerly an affiliate of the Community Foundation of Greater Greensboro, in 2008 and 2009 for quasi-endowment purposes and designated itself as the beneficiary. Accordingly, the fair value of the funds is recorded as “Funds held by others” on the Statement of Financial Position. The fair value of the funds was \$223,413 and \$161,438 as of June 30, 2021 and 2020, respectively.

The fair value of the funds was confirmed by the Alamance Community Foundation based on units of the master investment pool applicable to the Organization’s pro-rata portion, and represented to be based on quoted active market prices; however, funds held by a community foundation under the arrangement described above are all considered to be within the Level 2 of the fair value hierarchy.

An annual distribution of earnings is to be calculated on the basis of a total return principle as the average fair market value of the fund established annually by the Board, based on the fair market value of the fund for the last day of each of the preceding twelve (12) calendar quarters. No distributions will be made in excess of a percentage equal to the trailing consumer price index as of the end of the immediately preceding calendar quarter plus five percent (5%), except as authorized below.

It is the intent of the Organization to preserve as much of the principal of the fund as possible, while maintaining the flexibility of the Organization to utilize the principal in an extraordinary situation in order to fulfill its mission. Principal is defined as the value of the funds in dollars obtained by contribution to the fund at the time it was made, and as such value is determined in good faith by the Finance Committee. In extraordinary circumstances,

## UNITED WAY OF ALAMANCE COUNTY, INC.

### Notes to Financial Statements

June 30, 2021

NOTE E: Funds Held by Others: (continued)

the full Board of Directors, upon recommendation from the Finance Committee or Executive Committee, may approve distribution to the Organization in excess of the Maximum Annual Distribution (as defined above), which may include part or all of such principal, only upon a vote of the two-thirds (2/3) of the Board present at a duly called meeting of such Board. If so approved, the principal may be distributed in the form of a loan or grant.

Composition of and changes in quasi-endowments for the period ended June 30, 2021, are as follows:

	<u>Facilities</u>	<u>General</u>
Quasi-endowment net assets, July 1, 2020	\$ 99,085	\$ 62,353
Investment income	1,842	1,441
Unrealized gains	29,907	22,404
(Distributions)/Contributions	(4,468)	13,150
Administrative and investment fees	<u>(1,300)</u>	<u>(1,001)</u>
Quasi-endowment net assets, June 30, 2021	<u>\$ 125,066</u>	<u>\$ 98,347</u>

Note F: Beneficial Interest in a Perpetual Trust:

United Way of Alamance County, Inc. is the recipient of income earned on a trust established in 1996 when the Burlington Merchants Association dissolved. The Alamance Community Foundation, formerly an affiliate of the Community Foundation of Greater Greensboro, serving as trustee, distributes the earnings annually to the United Way of Alamance County, Inc. to be used for operating expenses. During the fiscal year ended June 30, 2021, the Organization received \$8,506 which is includable in other revenue. United Way of Alamance County, Inc. has the irrevocable right to receive the income earned on trust assets in perpetuity, but not the trust assets which are controlled by the trustee. The fair value of the trust of \$211,737 is reported in the financial statements as net assets with donor restrictions at June 30, 2021. The trust assets are considered to be within the Level 2 of the fair value hierarchy. Changes in the beneficial interest in a perpetual trust for the period ended June 30, 2021, are as follows:

Beneficial interest in a perpetual trust, July 1, 2020	\$ 211,737
Investment income	3,955
Unrealized gain	64,134
Distributions	(8,682)
Administrative and investment fees	<u>(2,789)</u>
Beneficial interest in a perpetual trust, June 30, 2021	<u>\$ 268,355</u>

**UNITED WAY OF ALAMANCE COUNTY, INC.**

## Notes to Financial Statements

June 30, 2021

## Note G: Short-Term Borrowings:

The Organization entered into a \$100,000 unsecured revolving line of credit agreement with Pinnacle Bank on June 4, 2018. The line of credit is to be used for short-term cash flow needs. Interest is computed and payable monthly based on a variable rate of interest. The interest rate was 5.00% and 5.00% at June 30, 2021 and 2020, respectively. The line of credit matures June 8, 2028. The outstanding balances were \$0 and \$0 for the years ended June 30, 2021 and 2020, respectively.

## Note H: Payroll Protection Program (PPP) Funding:

The Organization received \$86,893 from the Small Business Administration's Paycheck Protection Program ("PPP") on April 12, 2020 from Pinnacle Bank. The Organization elected to treat the loan as a conditional contribution for the year ended June 30, 2020. If the loan is forgiven the debt forgiveness will be treated as an unrestricted contribution. If the loan, or any portion of the loan, is not forgiven, the unforgiven amount would be payable in eighteen monthly payments of principal and interest and would mature on April 12, 2022. Interest is computed at one percent per annum.

On April 9, 2021 the Organization received a Notice of PPP Forgiveness Payment from the Small Business Administration notifying the Organization that the PPP loan had been forgiven in full. Accordingly, the Organization recorded the total amount, \$86,893, as an unrestricted contribution in the statement of activities for the year ended June 30, 2021.

## Note I: Funds Held for Others:

The Organization held disaster relief funds for another organization of \$66,899 and \$79,399 as of June 30, 2021 and 2020, respectively. These transactions are recognized as changes in assets and liabilities and do not affect the statement of activities.

## Note J: Net Assets without Donor Restrictions:

The Board of Directors has designated certain funds to be used for programs that are designed to promote the mission of the Organization which are included in net assets without donor restrictions.



**UNITED WAY OF ALAMANCE COUNTY, INC.**

Notes to Financial Statements

June 30, 2021

Note J: Net Assets without Donor Restrictions: (continued)

Net assets without donor restrictions designated by the Board of Directors for special purposes are as follows as of June 30:

	<u>2021</u>	<u>2020</u>
Board designated quasi-endowment funds:		
For general and administrative expenses	\$ 98,347	\$ 62,353
For facilities expense	<u>125,066</u>	<u>99,085</u>
Total Board designated quasi-endowment funds	223,413	161,438
Undesignated net assets	<u>590,627</u>	<u>395,695</u>
 Total Net Assets without Donor Restrictions	 <u>\$ 814,040</u>	 <u>\$ 557,133</u>

Note K: Net Assets with Donor Restrictions:

Net assets with donor restrictions are restricted for the following purposes or periods for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Restricted by time	\$ 233,534	\$ 311,362
Beneficial interest in perpetual trust	<u>268,355</u>	<u>211,737</u>
 Total Net Assets with Donor Restrictions	 <u>\$ 501,889</u>	 <u>\$ 523,099</u>

Note L: Liquidity and Available Resources:

The Organization's financial assets available within one year of the statements of financial date for general expenditures are as follows:

Cash and cash equivalents	\$ 235,987
Contributions receivable, net	199,047
Sales tax receivable	297
Funds held by others	<u>223,413</u>
Total financial assets available within one year	<u>658,744</u>
 Less:	
Amounts due within one year:	
Accounts payable and accrued expenses	(776)
Designations payable	<u>(67,638)</u>
Total amounts due within one year	<u>(68,014)</u>
 Total Financial Assets Available Within One Year	 <u>\$ 590,330</u>

**UNITED WAY OF ALAMANCE COUNTY, INC.**

Notes to Financial Statements

June 30, 2021

Note L: Liquidity and Available Resources: (continued)

To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$100,000, which it could draw upon (Note G).

Note M: Pension Plan:

The Organization maintains a defined contribution pension plan for the benefit of all employees who have attained the age of twenty-one and completed one year of service. The plan provides for the Organization to contribute 2.50% of the employee's eligible compensation. Contributions to the pension plan by the Organization were \$5,423 and \$6,731 for the fiscal years ended June 30, 2021 and 2020, respectively.

Note N: Rentals Under Operating Leases:

In December 2017, the Organization entered into an operating agreement for two copiers and two pure water systems. The lease is for 60 months and expires December 2022. The lease expenses are included in Computer Equipment and Support in the Statement of Functional Expenses. Total lease expense for the year was \$7,664. The following is a schedule of future minimum rental payments required under operating leases that have remaining noncancelable lease terms in excess of one year as of June 30, 2021:

Year Ending <u>June 30,</u>	<u>Amount</u>
2022	\$ 7,167
2023	<u>2,986</u>
	<u>\$ 10,153</u>

Note O: Risks and Uncertainties:

In March 2020, the World Health Organization declared the global novel coronavirus disease (COVID-19) outbreak a pandemic. The Organization cannot reasonably estimate at this time the specific extent, duration, or full impact that the COVID-19 pandemic will have on its financial condition, pledge collections and operations.

Note P: Subsequent Events:

Management has evaluated subsequent events through the date of the Independent Auditor's Report, February 16, 2022, the date the financial statements were available to be issued.

**UNITED WAY OF ALAMANCE COUNTY, INC.**

## Notes to Financial Statements

June 30, 2021

## Note Q: Recently Adopted Accounting Standards:

Effective July 1, 2019, the Organization adopted the provisions of ASU 2018-08, *Not-for-Profit Entities – Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the accounting guidance for not-for-profit entities surrounding contributions received and contributions made. The update assists entities in their evaluation of whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional.

Effective July 1, 2019, the Organization adopted the provisions and expanded disclosure requirements described in Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, also referred to as ASC Topic 606. In accordance with ASC 606, revenue is recognized when performance obligations are satisfied. The amount of revenue recognized reflects the consideration to which the Organization expects to be entitled to receive in exchange for promised goods and services that comprise a performance obligation. In addition, ASC 606 requires disclosures of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In addition, ASC 606 requires disclosures of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The adoption of ASU 2014-09 did not have a material effect on net assets with or without donor restrictions.

For the year ended June 30, 2020. The Organization has adopted the FASB ASU Nos. 2016-15 and 2016-18, *Statements of Cash Flows*. These standards provide guidance to reduce the diversity of how certain transactions are classified in the statement of cash flows. Further, it provides guidance related to transfers between cash and restricted cash and how entities present, in their statement of cash flows, the cash receipts and cash payments that directly affect the restricted cash accounts. We have adopted these provisions in the accompanying financial statements.

**SUPPLEMENTARY INFORMATION**

## UNITED WAY OF ALAMANCE COUNTY, INC.

## SCHEDULE OF ALLOCATIONS AND DESIGNATIONS

Fiscal Year Ended June 30, 2021 with Comparative Totals for June 30, 2020

	Allocation	Donor	2021	2020
	Services	Designations	Allocation/ Awards	Allocation/ Awards
ACC-Academic & Career Readiness	\$ 20,230	\$ 770	\$ 21,000	\$ 40,000
Alamance County Community YMCA	4,679	4,821	9,500	15,000
Alamance County Meals on Wheels	7,106	9,394	16,500	28,000
Alamance Partnership for Children	7,204	2,546	9,750	19,000
Allied Churches of Alamance County, Inc.	9,757	8,993	18,750	34,000
BJWC	5,112	-	5,112	-
Burlington Development Corporation	13,005	120	13,125	25,000
Catholic Charities of the Diocese of Raleigh, Inc.	5,490	1,260	6,750	12,000
CCCS - Family Services of the Piedmont	5,000	-	5,000	-
Children's Home Society / Wise Guys	4,412	1,088	5,500	10,000
CityGate Dream Center	10,000	-	10,000	-
Crossroads: Sexual Assault Response & Resource Center	-	6,750	6,750	13,000
Elon Academy	1,960	5,790	7,750	15,000
Family Abuse Services of Alamance County, Inc.	12,171	4,579	16,750	33,000
Legal Aid of NC	2,500	-	2,500	10,000
Medication Management Clinic (formerly AlaMaP)	7,750	-	7,750	15,000
Open Door Clinic of Alamance County	8,480	1,020	9,500	18,000
Piedmont Health Services-Burlington Community Health Center	7,150	600	7,750	15,000
Residential Treatment Services of Alamance, Inc.	2,356	823	3,179	17,000
The Exchange Club & Family Center in Alamance	3,148	52	3,200	13,000
The Salvation Army of Alamance County	-	4,000	4,000	13,000
The Salvation Army Boys and Girls Club of Alamance County	18,057	4,693	22,750	45,500
SAFE	7,500	-	7,500	-
Women's Resource Center in Alamance County	19,313	4,212	23,525	41,000
Other United Ways	-	1,698	1,698	443
All other designations	-	31,754	31,754	56,983
Totals	\$ 182,380	\$ 94,963	\$ 277,343	\$ 488,926