

**UNITED WAY OF IREDELL COUNTY, INC.  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
For the Years Ended June 30, 2021 and 2020**

Preliminary Draft

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

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
United Way of Iredell County, Inc.

We have audited the accompanying financial statements of United Way of Iredell County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, 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.

### **Auditors' 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 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 Iredell County, 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.

### **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 18 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.

*Potts, Steele & White, P.A.*

Statesville, North Carolina

October 19, 2021

UNITED WAY OF IREDELL COUNTY, INC.  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 210,939	\$ 131,293
Accounts receivable	55,282	12,416
Pledges receivable, net	392,831	551,821
Investments	1,278	977
Beneficial interest in assets held by Foundation	3,586,880	2,654,631
Prepaid expenses	4,772	4,111
Property and equipment, net	331,535	345,779
Cash surrender value of life insurance	23,892	9,981
Other assets	2,013	1,763
<b>TOTAL ASSETS</b>	<b>\$ 4,609,422</b>	<b>\$ 3,712,772</b>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 12,184	\$ 4,720
Agency allocations payable (see Note H)	356,170	90,613
Designated pledges payable	8,341	12,749
<b>TOTAL LIABILITIES</b>	<b>376,695</b>	<b>108,082</b>
 <b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	(163,415)	(54,550)
Designated by the board for endowment purposes	3,586,880	2,654,631
Designated by the board for building	78,339	78,361
With donor restrictions	730,923	926,248
<b>TOTAL NET ASSETS</b>	<b>4,232,727</b>	<b>3,604,690</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,609,422</b>	<b>\$ 3,712,772</b>

See accompanying notes.

UNITED WAY OF IREDELL COUNTY, INC.  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Public support and revenue:			
Contributions	\$ 91,356	\$ 598,436	\$ 689,792
Grant revenue	339,301		339,301
Less designated pledges		(8,341)	(8,341)
Less provision for uncollectibles		(45,258)	(45,258)
TOTAL PUBLIC SUPPORT	430,657	544,837	975,494
Other revenue:			
Investment income	2		2
Net realized and unrealized gain (loss) on investments	799,589		799,589
Expense reimbursement	2,833		2,833
Sales and income tax refunds	385		385
Rent income	64,864		64,864
TOTAL OTHER REVENUE	867,673		867,673
TOTAL REVENUE AND SUPPORT	1,298,330	544,837	1,843,167
NET ASSETS RELEASED FROM TIME RESTRICTIONS	740,162	(740,162)	
TOTAL SUPPORT, REVENUE AND RECLASSIFICATION	2,038,492	(195,325)	1,843,167
Expenses:			
Program services:			
Grant awards	919,899		919,899
Other program services	93,885		93,885
Supporting services:			
Management and general	73,701		73,701
Fundraising	127,645		127,645
TOTAL EXPENSES	1,215,130		1,215,130
INCREASE (DECREASE) IN NET ASSETS	823,362	(195,325)	628,037
NET ASSETS AT BEGINNING OF YEAR	2,678,442	926,248	3,604,690
NET ASSETS AT END OF YEAR	\$ 3,501,804	\$ 730,923	\$ 4,232,727

See accompanying notes.

UNITED WAY OF IREDELL COUNTY, INC.  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Public support and revenue:			
Contributions	\$ 1,568,144	\$ 701,207	\$ 2,269,351
Grant revenue	37,362		37,362
Less designated pledges		(12,749)	(12,749)
Less provision for uncollectibles		(44,777)	(44,777)
TOTAL PUBLIC SUPPORT	1,605,506	643,681	2,249,187
Other revenue:			
Investment income	301		301
Net realized and unrealized gain (loss) on investments	(26,983)		(26,983)
Expense reimbursement	1,553		1,553
Sales and income tax refunds	420		420
Rent income	64,864		64,864
TOTAL OTHER REVENUE	40,155		40,155
TOTAL REVENUE AND SUPPORT	1,645,661	643,681	2,289,342
NET ASSETS RELEASED FROM TIME RESTRICTIONS	723,162	(723,162)	
TOTAL SUPPORT, REVENUE AND RECLASSIFICATION	2,368,823	(79,481)	2,289,342
Expenses:			
Program services:			
Grant awards	635,726		635,726
Other program services	108,714		108,714
Supporting services:			
Management and general	85,053		85,053
Fundraising	188,445		188,445
TOTAL EXPENSES	1,017,938		1,017,938
INCREASE (DECREASE) IN NET ASSETS	1,350,885	(79,481)	1,271,404
NET ASSETS AT BEGINNING OF YEAR	1,327,557	1,005,729	2,333,286
NET ASSETS AT END OF YEAR	\$ 2,678,442	\$ 926,248	\$ 3,604,690

See accompanying notes.

UNITED WAY OF IREDELL COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2021

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 41,977	\$ 33,029	\$ 63,088	\$ 138,094
Employee benefits	1,683	1,324	2,053	5,060
Payroll taxes	4,324	3,403	5,275	13,002
Sub-total	<u>47,984</u>	<u>37,756</u>	<u>70,416</u>	<u>156,156</u>
Grant awards	919,899			919,899
Mileage	57	45	69	171
Occupancy	5,723	4,503	6,981	17,207
Repairs and maintenance	133	105	162	400
Audit and accounting		20,000		20,000
Office supplies	660	519	804	1,983
Campaign supplies	2,093		6,280	8,373
Dues and memberships	145	114	380	639
Computer and internet expense	2,542	2,000	3,101	7,643
Copier lease and supplies	1,044	822	1,274	3,140
Telephone	648	510	790	1,948
Meeting expense	149			149
Postage	496	390	605	1,491
Insurance and bond	1,442	1,135	19,396	21,973
Miscellaneous	664	701	810	2,175
Depreciation	4,737	3,728	5,778	14,243
Bank charges	757	596	924	2,277
Marketing	495	247	1,751	2,493
211 expense	2,196			2,196
Special event expense	10,737			10,737
Other planned giving	35		319	354
Professional development	673	530	822	2,025
Sub-total	<u>955,325</u>	<u>35,945</u>	<u>50,246</u>	<u>1,041,516</u>
N.C. United Way	1,138		759	1,897
United Way Worldwide	9,337		6,224	15,561
Sub-total	<u>10,475</u>		<u>6,983</u>	<u>17,458</u>
Total expenses	<u>\$ 1,013,784</u>	<u>\$ 73,701</u>	<u>\$ 127,645</u>	<u>\$ 1,215,130</u>

See accompanying notes.



UNITED WAY OF IREDELL COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2020

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 55,038	\$ 44,507	\$ 85,203	\$ 184,748
Employee benefits	1,539	1,244	1,970	4,753
Payroll taxes	4,263	3,447	6,584	14,294
Sub-total	<u>60,840</u>	<u>49,198</u>	<u>93,757</u>	<u>203,795</u>
Grant awards	635,726			635,726
Mileage	525	425	672	1,622
Occupancy	6,338	5,125	8,115	19,578
Repairs and maintenance	382	309	489	1,180
Audit and accounting		18,500		18,500
Office supplies	716	580	917	2,213
Campaign supplies	2,511		7,532	10,043
Dues and memberships	147	119	439	705
Computer and internet expense	1,932	1,563	2,474	5,969
Copier lease and supplies	953	771	1,220	2,944
Telephone	617	499	790	1,906
Meeting expense	1,146			1,146
Postage	515	417	660	1,592
Insurance and bond	1,465	1,185	26,005	28,655
Miscellaneous	313	254	701	1,268
Depreciation	4,626	3,741	5,924	14,291
Bank charges	767	620	981	2,368
Marketing	2,279	1,717	2,601	6,597
211 expense	2,196			2,196
Special event expense	8,520		2,483	11,003
Other planned giving	4,870		27,959	32,829
Professional development	37	30	48	115
Sub-total	<u>676,581</u>	<u>35,855</u>	<u>90,010</u>	<u>802,446</u>
N.C. United Way	1,285		856	2,141
United Way Worldwide	5,734		3,822	9,556
Sub-total	<u>7,019</u>	<u>0</u>	<u>4,678</u>	<u>11,697</u>
Total expenses	<u>\$ 744,440</u>	<u>\$ 85,053</u>	<u>\$ 188,445</u>	<u>\$ 1,017,938</u>

See accompanying notes.

UNITED WAY OF IREDELL COUNTY, INC.  
STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 628,037	\$ 1,271,404
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	14,243	14,291
Reinvested investment income	(186)	(295)
Net realized and unrealized (gain) loss on investments	(799,589)	26,983
Forgiveness of Payroll Protection Program loan	(39,301)	(37,362)
(Increase) decrease in operating assets:		
Accounts receivable	(42,866)	14,474
Pledges receivable	158,990	75,894
Prepaid expenses	(661)	9,966
Cash value of life insurance	(13,911)	(7,417)
Other assets	(250)	192
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	7,464	(22,521)
Agency allocations payable	265,557	(347,452)
Designated pledges payable	(4,408)	3,040
NET CASH PROVIDED BY OPERATING ACTIVITIES	173,119	1,001,197
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of securities	(229,886)	(1,279,678)
Proceeds from sale of investment		4,000
Proceeds from endowment	97,112	186,136
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(132,774)	(1,089,542)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Payroll Protection Program loan	39,301	37,362
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	39,301	37,362
NET INCREASE (DECREASE) IN CASH	79,646	(50,983)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	131,293	182,276
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 210,939	\$ 131,293
SUPPLEMENTAL DISCLOSURE		
Interest paid	\$ 0	\$ 0

See accompanying notes.

UNITED WAY OF IREDELL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Way of Iredell County, Inc. (the Organization) is a nonprofit organization organized in 1954 in the state of North Carolina. The Organization is dedicated to enriching the quality of life by uniting citizens and agencies in a community-wide effort to plan, support, deliver and monitor effective health and human care services responsive to community needs. The Organization serves the Statesville, Troutman, and northern Iredell County areas.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

The governing board has designated, from net assets without donor restrictions, net assets for a building fund and a board-designated endowment.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Pledges designated to specific member agencies are recorded as a liability (designated pledges payable) on the Statements of Financial Position and undesignated pledges are recognized as support on the Statement of Activities.

UNITED WAY OF IREDELL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Program Services

The Organization supports the education, income, and health of individuals across the service area by mobilizing volunteer, in-kind, and financial resources; actively engaging in community planning and dialogue around these issues sharing information about the resources available; and building organizational capacity in the sector by providing oversight, training, and collaborative opportunities for local nonprofits.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization's management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates include depreciable lives of property and equipment, amortization period of prepaid fundraising costs and allocation of functional expenses.

Accounts and Pledges Receivable

Accounts and pledges receivable are stated at the amount the Organization expects to collect from outstanding balances. The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Investments

Investment presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC). The ASC defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The ASC requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. It establishes a fair value hierarchy which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets. Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets where there is not sufficient activity, and/or where price quotations vary substantially either over time or among market makes, or in which little information is released publicly. Level 2 inputs other than quoted prices include: commonly quoted interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, default rates, and inputs that are derived principally from market data. Level 3 inputs are unobservable and generally rely on market experience and expertise to assess the level of activity of a market on a measurement date relative to observable inputs and their quality.

UNITED WAY OF IREDELL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment purchased by the Organization is stated at cost and donated items are stated at fair market value at date of donation. It is the Organization's policy to capitalize property and equipment in excess of \$500. Repairs and maintenance are charged to expense as incurred. When property and equipment is sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Depreciation is computed on the straight-line method based on the estimated useful lives of 5 to 40 years.

Endowment Funds

The Organization's net assets without donor restrictions include a board designated endowment fund. This fund is held in a pooled investment fund with the Foundation for the Carolinas (see Note F). As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has adopted investment and spending policies, approved by the Board of Directors, that are in line with the Foundation for the Carolinas' policies. Investment objectives include meeting realistic income requirements, providing growth in principal that will support a continuing increase in income, and maintain or increase total principal purchasing power after inflation over the long-term.

The spending policy calculates the amount of money distributed annually from the Organization's endowed fund, for grant making and maintenance of the investment with the Foundation for the Carolinas. Currently, the spendable amount is 5% of the average balance using the previous three calendar years. All withdrawals from the Endowment must be authorized by the Board of Directors.

Donated Services

The value of donated services is not reflected in the financial statements since there is no objective basis available by which to measure the value of such services. However, many individuals volunteer their time to assist in the fundraising campaign.

Support and Revenue Recognition

Revenue is recognized when earned. Payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed; or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

UNITED WAY OF IREDELL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Support and Revenue Recognition (continued)

The Organization receives grants and pledges from other United Ways, businesses and foundations, as well as the community at large.

Revenue with and without Donor Restrictions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged directly to program or management and general categories based on specific identification. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Indirect expenses have been allocated based on analysis of personnel time, resources, or services utilized for the related activity. Although the methods of allocation used are considered reasonable and appropriate, other methods could be used that would produce different results.

Investment Income and Gains

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Income Taxes

United Way of Iredell County, Inc. is an organization exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

UNITED WAY OF IREDELL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

The Organization may recognize the tax benefit from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The Organization has analyzed its tax positions taken for filings with the Internal Revenue Service. The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations, or cash flows.

The Organization's federal return of organization exempt from income tax (Form 990) for the years ended June 30, 2018 through June 30, 2021 are subject to examination by the IRS, generally for three years after they are filed.

NOTE B - CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

NOTE C - PLEDGES RECEIVABLE

An analysis of pledges receivable at June 30, 2021 and 2020 is as follows:

	2021	2020
Receivable in less than one year:		
Pledges for current year campaign	\$ 169,747	\$ 213,841
Other pledges	104,546	129,346
Receivable in one to five years	169,029	282,140
Total pledges receivable	\$ 443,322	\$ 625,327
Less discounts to present value at 5%	20,000	37,000
Less allowance for uncollectible	30,491	36,506
Pledges receivable, net	\$ 392,831	\$ 551,821

NOTE D - INVESTMENTS

Investments are stated at fair value and are summarized as follows as of June 30, 2021 and 2020:

	Market	
	2021	2020
Mutual fund (Level 1)	\$ 1,278	\$ 977
Beneficial interest in assets held by Foundation (Level 3)	3,586,880	2,654,631
	\$ 3,588,158	\$ 2,655,608

UNITED WAY OF IREDELL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE E - PROPERTY AND EQUIPMENT

An analysis of property and equipment at June 30, 2021 and 2020 is as follows:

	2021	2020
Land	\$ 56,862	\$ 56,862
Buildings and improvements	557,451	557,451
Furniture and fixtures	12,853	14,684
Computer equipment	4,227	11,884
Total property and equipment	<u>631,393</u>	<u>640,881</u>
Less accumulated depreciation	299,858	295,102
Property and equipment, net	<u>\$ 331,535</u>	<u>\$ 345,779</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$14,243 and \$14,291, respectively.

NOTE F - FAIR VALUE MEASUREMENTS

The Board established a board designated endowment ("quasi-endowment") which is held by the Foundation for the Carolinas (consistent with Note A). The Organization has also designated itself the beneficiary. The fair value of the beneficial interest is based on units of the master investment pool applicable to the Organization's pro-rata portion. The fair value measurement of the investment with Foundation for the Carolinas uses significant unobservable inputs (Level 3) and is measured at fair value on a recurring basis.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	2021	2020
Balance at beginning of year	\$ 2,654,631	\$ 1,588,112
Purchases/contributions	229,886	1,279,678
Management fees	(20,087)	(15,404)
Withdrawals	(97,112)	(186,136)
Total gains and losses (realized and unrealized)	819,562	(11,619)
Balance at year end	<u>\$ 3,586,880</u>	<u>\$ 2,654,631</u>

Total gains and losses (realized and unrealized) are netted against management fees and included in the Statement of Activities as net realized and unrealized gain (loss) on investments for the years ended June 30, 2021 and 2020. All assets have been valued using a market approach. There have been no changes in valuation techniques and related inputs.



UNITED WAY OF IREDELL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30, 2021 and 2020:

	2021	2020
For subsequent periods	<u>\$ 730,923</u>	<u>\$ 926,248</u>

NOTE H - AGENCY ALLOCATIONS

Agency allocations payable represents program funding amounts due to United Way funded agencies as approved and committed, but not yet paid, as June 30. Funded agencies receiving program funding from the Organization undergo staff and volunteer pre-screening before being awarded funding. Available funds for funded agency program funding are determined by the amount of designated gifts and the allocation of undesignated contributions after allowing for anticipated uncollectible pledges and operating costs.

NOTE I - PAYROLL PROTECTION PROGRAM (PPP)

The Organization received a \$39,301 PPP loan granted by the SBA under the CARES Act. The Organization considered the PPP loan to be a conditional contribution, with a right of return in the form of an obligation to be repaid if a barrier to entitlement is not met. The barrier is that PPP loan funds must be used to maintain compensation costs/employee headcount and other qualifying expenses incurred following receipt of the funds. The Organization recognized the amount received as grant revenue during the year ended June 30, 2021 as qualified expenses were incurred and the barrier to entitlement had been met. A proper application for forgiveness of the loan has been made. At the time of issuance of the financial statements, notice of forgiveness had been received.

NOTE J - EMPLOYEE BENEFIT PLAN

Effective January 1, 2019, the Organization sponsors a Simple IRA plan (the Plan) covering all employees who agree to make contributions to the Plan. The Organization makes a 3% matching contribution to the Plan. Total expense for the years ended June 30, 2021 and 2020 was \$5,060 and \$4,753, respectively.

NOTE K - OPERATING LEASES

The Organization, as lessee, has a month to month lease for office equipment which is classified as an operating lease. Rent expense under this non-cancelable lease was \$1,442 for each of the years ended June 30, 2021 and 2020, respectively.

The Organization, as lessee, has a lease for office space which is classified as an operating lease. This lease will end October 31, 2022. Rent expense under this non-cancelable lease was approximately \$15,855 and \$16,728 for the years ended June 30, 2021 and 2020, respectively.

UNITED WAY OF IREDELL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE K - OPERATING LEASES (continued)

The approximate remaining annual minimum lease payments under the operating leases existing as of June 30, 2021 are:

June 30, 2022	\$	17,748
June 30, 2023		5,916
		23,664

The Organization leases office space to a tenant under a non-cancelable operating lease with the lease term ending on October 31, 2022. The following is a schedule for the next three years of future minimum rentals under the lease at June 30, 2021:

June 30, 2022	\$	64,860
June 30, 2023		21,620
		86,480

NOTE L - OVERHEAD

The overhead ratio for the past three periods is shown below. The overhead ratio is overhead expense divided by total revenue. Overhead expense consists of management and general expenses and fundraising expenses from the Statement of Functional Expenses. Total revenue is total revenue per IRS Form 990, which is the sum of total revenue and support from the Statement of Activities and designated pledges. Revenue per GAAP financial statements and IRS Form 990 differ by designated pledges. The three year rolling average overhead rate for the years ended June 30, 2021 and 2020 are 14.2% and 17.6%, respectively.

Period	Overhead Ratio
June 30, 2021	10.9%
June 30, 2020	14.6%
June 30, 2019	17.1%

NOTE M - CONCENTRATIONS OF CREDIT RISK

Gifts from two individuals and one organization comprised approximately 42% of the Organization's pledges receivable at June 30, 2021.

Gifts from two individuals comprised approximately 26% of the Organization's pledges receivable at June 30, 2020.

UNITED WAY OF IREDELL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE N - LIQUIDITY

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2021	2020
Cash and cash equivalents	\$ 210,939	\$ 131,293
Accounts receivable	55,282	12,416
Pledges receivable, net	392,831	551,821
Less amounts expected to be received after one year	(149,029)	(245,140)
Investments	1,278	977
Financial assets available to meet cash needs for general expenditure within one year	\$ 511,301	\$ 451,367

NOTE O - RECLASSIFICATIONS

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

NOTE P - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through October 19, 2021, the date on which the financial statements were issued.

**SUPPLEMENTARY INFORMATION**

Preliminary Draft

UNITED WAY OF IREDELL COUNTY, INC.  
SCHEDULES OF GRANTS PAID - CASH BASIS  
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
American Red Cross	\$ 4,779	\$ 6,000
Aftershock Youth	6,520	
Boys and Girls Club	42,935	43,698
Boy Scouts	7,812	9,250
Carolina Farm Trust		20,000
Chestnut Grove Community Center, Inc		6,388
Children's Hope Alliance	20,475	29,839
Council on Aging	40,650	58,833
Elder Center	8,717	22,410
Feed NC (Mooresville Soup Kitchen)	20,536	48,500
Fifth Street Ministries	55,502	77,411
Food for Days	1,846	
G4G Ministries	5,619	8,412
Girl Scouts	3,550	6,292
Head Start, I-Care	68,889	13,000
HealthReach Community Clinic	20,000	48,487
Hospice of Iredell County	29,752	34,335
Iredell Christian Ministries	65,446	50,596
Iredell County - EMS Paramedicine		50,000
Iredell County Partnership for Young Children	7,500	13,719
Iredell County Rescue Squad	11,480	10,820
Iredell Statesville Schools	46,519	15,000
Kintegra (Statesville Family Medicine)		43,750
Lifespan	17,438	25,550
Matthew 25 Ministries		25,000
Mooresville Christian Mission	259	52,000
North Iredell Rescue Squad	11,138	9,450
Piedmont Mediation Center	26,000	32,340
PowerCross		10,091
Purple Heart Homes	348	9,847
Pharos Parenting	28,614	31,608
Statesville Chamber of Commerce		9,500
The Salvation Army	28,184	53,914
Troutman Rescue Squad	11,138	9,450
Watchmen of the Streets		18,000
YMCA	26,718	25,228
Yokefellow Ministry	19,562	33,116
Other designations	17,703	26,348
Designations to other United Ways	9,464	7,802
	<u>\$ 665,093</u>	<u>\$ 995,984</u>

See independent auditors' report.