

**UNITED WAY OF IREDELL COUNTY, INC.  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
For the Years Ended June 30, 2023 and 2022**

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

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## **Auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Iredell County, 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 Iredell County, 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.

## **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 22 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

December 27, 2023

UNITED WAY OF IREDELL COUNTY, INC.  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 74,160	\$ 119,202
Accounts receivable	34,628	13,255
Pledges receivable, net	288,487	316,724
Investments		1,072
Beneficial interest in assets held by Foundation	3,080,779	3,021,469
Prepaid expenses	5,912	5,345
Property and equipment, net	336,707	329,219
Cash surrender value of life insurance	69,322	52,543
Right-of-use - operating leases	60,411	
Other assets	5,056	5,304
	<b>TOTAL ASSETS</b>	<b>\$ 3,955,462</b>
	<b>\$ 3,955,462</b>	<b>\$ 3,864,133</b>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 13,737	\$ 18,174
Agency allocations payable	427,870	406,670
Deferred rent revenue		6,591
Designated pledges payable	11,360	13,648
Operating lease liability	60,411	
	<b>TOTAL LIABILITIES</b>	<b>445,083</b>
	<b>513,378</b>	<b>445,083</b>
 <b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	(478,421)	(367,188)
Designated by the board for endowment purposes	3,080,779	3,021,469
Designated by the board for building	37,267	68,021
With donor restrictions	802,459	696,748
	<b>TOTAL NET ASSETS</b>	<b>3,419,050</b>
	<b>3,442,084</b>	<b>3,419,050</b>
	<b>\$ 3,955,462</b>	<b>\$ 3,864,133</b>

See accompanying notes.

UNITED WAY OF IREDELL COUNTY, INC.  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023

	<u>Net assets without donor restrictions</u>	<u>Net assets with donor restrictions</u>	<u>Total</u>
Public support and revenue:			
Contributions	\$ 22,513	\$ 794,864	\$ 817,377
In-kind contributions	63,300		63,300
In-kind contributions - special events	26,800		26,800
Grant	23,839		23,839
Less designated pledges		(11,360)	(11,360)
Less provision for uncollectibles		(57,221)	(57,221)
TOTAL PUBLIC SUPPORT	136,452	726,283	862,735
Other revenue:			
Investment income	112		112
Admin fee revenue	2,351		2,351
Net realized and unrealized gain on investments	266,517		266,517
Sales tax refunds & expense reimbursements	2,317		2,317
Rent income	67,961		67,961
TOTAL OTHER REVENUE	339,258		339,258
TOTAL REVENUE AND SUPPORT	475,710	726,283	1,201,993
NET ASSETS RELEASED FROM TIME RESTRICTIONS	620,572	(620,572)	
TOTAL SUPPORT, REVENUE AND RECLASSIFICATION	1,096,282	105,711	1,201,993
Expenses:			
Program services	931,473		931,473
Supporting services:			
Management and general	112,000		112,000
Fundraising	135,486		135,486
TOTAL EXPENSES	1,178,959		1,178,959
INCREASE (DECREASE) IN NET ASSETS	(82,677)	105,711	23,034
NET ASSETS AT BEGINNING OF YEAR	2,722,302	696,748	3,419,050
NET ASSETS AT END OF YEAR	\$ 2,639,625	\$ 802,459	\$ 3,442,084

See accompanying notes.

UNITED WAY OF IREDELL COUNTY, INC.  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2022

	<u>Net assets without donor restrictions</u>	<u>Net assets with donor restrictions</u>	<u>Total</u>
Public support and revenue:			
Contributions	\$ 26,739	\$ 607,471	\$ 634,210
In-kind contributions	9,553		9,553
Less designated pledges		(13,648)	(13,648)
Less provision for uncollectibles		(36,481)	(36,481)
TOTAL PUBLIC SUPPORT	36,292	557,342	593,634
Other revenue:			
Investment income	528		528
Admin fee revenue	3,676		3,676
Net realized and unrealized gain (loss) on investments	(502,466)		(502,466)
Construction easement income	4,000		4,000
Sales tax refunds & expense reimbursements	4,481		4,481
Gain (loss) on disposal of property and equipment	(924)		(924)
Rent income	64,864		64,864
TOTAL OTHER REVENUE	(425,841)		(425,841)
TOTAL REVENUE AND SUPPORT	(389,549)	557,342	167,793
NET ASSETS RELEASED FROM TIME RESTRICTIONS	591,517	(591,517)	
TOTAL SUPPORT, REVENUE AND RECLASSIFICATION	201,968	(34,175)	167,793
Expenses:			
Program services	736,453		736,453
Supporting services:			
Management and general	100,210		100,210
Fundraising	144,807		144,807
TOTAL EXPENSES	981,470		981,470
INCREASE (DECREASE) IN NET ASSETS	(779,502)	(34,175)	(813,677)
NET ASSETS AT BEGINNING OF YEAR	3,501,804	730,923	4,232,727
NET ASSETS AT END OF YEAR	\$ 2,722,302	\$ 696,748	\$ 3,419,050

See accompanying notes.

UNITED WAY OF IREDELL COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2023

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 112,496	\$ 55,987	\$ 65,805	\$ 234,288
Employee benefits	2,627	1,306	1,532	5,465
Payroll taxes	8,375	3,993	5,715	18,083
<b>Total personnel expenses</b>	<b>123,498</b>	<b>61,286</b>	<b>73,052</b>	<b>257,836</b>
Grant awards	605,550			605,550
In-kind disbursements	60,099			60,099
Mileage	1,773	882	1,034	3,689
Occupancy	26,579	13,215	15,507	55,301
Repairs and maintenance	1,958	973	1,142	4,073
Audit and accounting		21,000		21,000
Office supplies	2,141	1,065	1,249	4,455
Campaign supplies	3,411		10,236	13,647
Dues and memberships	457	480	266	1,203
Computer and internet expense	7,241	3,600	4,225	15,066
Copier lease and supplies	1,487	739	868	3,094
Telephone	1,862	926	1,086	3,874
Meeting expense	3,565			3,565
Postage	652	324	382	1,358
Insurance and bond	3,444	977	14,440	18,861
Miscellaneous	2,109	1,049	1,231	4,389
Bank charges	1,045	519	609	2,173
Marketing	4,771	785	785	6,341
211 expense	14,983			14,983
Transport expense	5,418			5,418
N.C. United Way	1,167		778	1,945
United Way Worldwide	5,536		3,691	9,227
Special event expense	44,320			44,320
Professional development	479	238	280	997
<b>Total expenses before depreciation</b>	<b>923,545</b>	<b>108,058</b>	<b>130,861</b>	<b>1,162,464</b>
Depreciation	7,928	3,942	4,625	16,495
<b>Total expenses</b>	<b>\$ 931,473</b>	<b>\$ 112,000</b>	<b>\$ 135,486</b>	<b>\$ 1,178,959</b>

See accompanying notes.



UNITED WAY OF IREDELL COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2022

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 78,980	\$ 49,642	\$ 77,857	\$ 206,479
Employee benefits	2,152	1,395	1,773	5,320
Payroll taxes	6,008	3,813	5,975	15,796
<b>Total personnel expenses</b>	<b>87,140</b>	<b>54,850</b>	<b>85,605</b>	<b>227,595</b>
Grant awards	575,914			575,914
Mileage	668	433	550	1,651
Occupancy	12,199	7,907	10,054	30,160
Repairs and maintenance	2,958	1,918	2,438	7,314
Audit and accounting		20,500		20,500
Office supplies	1,417	918	1,168	3,503
Campaign supplies	3,309		9,928	13,237
Dues and memberships	392	254	550	1,196
Computer and internet expense	5,347	3,466	4,407	13,220
Copier lease and supplies	1,666	1,080	1,373	4,119
Telephone	956	620	787	2,363
Meeting expense	2,000	733	734	3,467
Postage	527	341	434	1,302
Insurance and bond	1,445	936	4,088	6,469
Miscellaneous	1,975	1,280	1,627	4,882
Bank charges	1,152	746	949	2,847
Marketing	9,326	327	407	10,060
211 expense	2,520			2,520
N.C. United Way	1,207		804	2,011
United Way Worldwide	17,249		11,500	28,749
Special event expense	205		2,444	2,649
In-kind disbursements	862			862
<b>Total expenses before depreciation</b>	<b>643,294</b>	<b>41,459</b>	<b>54,242</b>	<b>738,995</b>
Depreciation	6,019	3,901	4,960	14,880
<b>Total expenses</b>	<b>\$ 736,453</b>	<b>\$ 100,210</b>	<b>\$ 144,807</b>	<b>\$ 981,470</b>

See accompanying notes.

UNITED WAY OF IREDELL COUNTY, INC.  
STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 23,034	\$ (813,677)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	16,495	14,880
Reinvested investment income		(92)
Net realized and unrealized (gain) loss on investments	(266,517)	502,466
(Gain) loss on disposal of property and equipment		924
(Increase) decrease in operating assets:		
Accounts receivable	(21,373)	42,027
Pledges receivable	28,237	76,107
Prepaid expenses	(567)	(573)
Cash value of life insurance	(16,779)	(28,651)
Other assets	248	(3,291)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(4,437)	5,990
Agency allocations payable	21,200	50,500
Deferred revenue	(6,591)	6,591
Designated pledges payable	(2,288)	5,307
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(229,338)	(141,492)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of securities	(51,381)	(110,495)
Purchase of property and equipment	(23,983)	(13,488)
Proceeds from sale of investment	1,138	
Proceeds from endowment	258,522	173,738
NET CASH PROVIDED BY INVESTING ACTIVITIES	184,296	49,755
NET INCREASE (DECREASE) IN CASH	(45,042)	(91,737)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	119,202	210,939
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 74,160	\$ 119,202

See accompanying notes.

UNITED WAY OF IREDELL COUNTY, INC.  
STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
SUPPLEMENTAL DISCLOSURE		
Interest paid	<u>\$          0</u>	<u>\$          0</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Operating right-of-use assets obtained in exchange for new operating lease liabilities	<u>\$      97,875</u>	

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. As of July 1, 2022, the United Way of Iredell County, Inc. serves all of Iredell County, NC.

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 allowances for doubtful accounts, depreciable lives of property and equipment, imputed rates to discount promises to give, present value of lease assets and liabilities, and allocation of expenses by function.

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. Depreciation expense for the years ended June 30, 2023 and 2022 was \$16,495 and \$14,880, respectively.

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 Way organizations, 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.

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.

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.

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, 2021 through June 30, 2023 are subject to examination by the IRS, generally for three years after they are filed.

New Accounting Pronouncement

Effective July 1, 2022, the Organization adopted FASB ASC 842, *Leases*. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities.

Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized in the change in net assets on a straight-line basis over the lease term. The Organization elected to adopt FASB ASC 842, *Leases*, using the optional transition method that allows the Organization to initially apply the new leases standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of net assets in the period of adoption. As a result, the Organization reporting for the year ended June 30, 2022 is in accordance with FASB ASC 840.

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Organization also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

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.



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

NOTE C - PLEDGES RECEIVABLE

An analysis of pledges receivable at June 30, 2023 and 2022 is as follows:

	2023	2022
Receivable in less than one year:		
Pledges for current year campaign	\$ 260,357	\$ 204,896
Other pledges	61,176	87,706
Receivable in one to five years	16,000	65,700
Total pledges receivable	<u>\$ 337,533</u>	<u>\$ 358,302</u>
Less discounts to present value at 5%	1,000	6,000
Less allowance for uncollectible	48,046	35,578
Pledges receivable, net	<u>\$ 288,487</u>	<u>\$ 316,724</u>

NOTE D - INVESTMENTS

Investments are stated at fair value and are summarized as follows as of June 30, 2023 and 2022:

	Market	
	2023	2022
Mutual fund (Level 1)	\$	\$ 1,072
Beneficial interest in assets held by Foundation (Level 3)	3,080,779	3,021,469
	<u>\$ 3,080,779</u>	<u>\$ 3,022,541</u>

NOTE E - PROPERTY AND EQUIPMENT

An analysis of property and equipment at June 30, 2023 and 2022 is as follows:

	2023	2022
Land	\$ 56,862	\$ 56,862
Buildings and improvements	573,395	563,161
Furniture and fixtures	6,854	6,854
Computer equipment	13,421	12,004
Total property and equipment	<u>650,532</u>	<u>638,881</u>
Less accumulated depreciation	313,825	309,662
Property and equipment, net	<u>\$ 336,707</u>	<u>\$ 329,219</u>

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.

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

NOTE F - FAIR VALUE MEASUREMENTS (continued)

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):

	2023	2022
Balance at beginning of year	\$ 3,021,469	\$ 3,586,880
Purchases/contributions	51,381	110,495
Management fees	(19,764)	(23,170)
Withdrawals	(258,522)	(173,738)
Total gains and losses (realized and unrealized)	286,215	(478,998)
Balance at year end	<u>\$ 3,080,779</u>	<u>\$ 3,021,469</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, 2023 and 2022. All assets have been valued using a market approach. There have been no changes in valuation techniques and related inputs.

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30, 2023 and 2022:

	2023	2022
For subsequent periods	<u>\$ 802,459</u>	<u>\$ 696,748</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 - 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, 2023 and 2022 was \$5,465 and \$5,320, respectively.

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

NOTE J - LEASES

The Organization, as lessee, had a month to month lease for office equipment which was classified as an operating lease. Rent expense under this non-cancelable lease was \$1,442 for the year ended June 30, 2022.

The Organization, as lessee, has a lease for office equipment which is classified as an operating lease. This lease began December 2022 and has a lease term of 48 months and monthly payments of \$110. Rent expense under this lease was \$660 for the year ended June 30, 2023.

The Organization, as lessee, has a lease for office space which is classified as an operating lease. This lease ended October 31, 2022 and converted to a month to month lease. Rent expense under this lease was \$17,232 for each of the years ended June 30, 2023 and 2022.

The Organization, as lessee, has a lease for office space which is classified as an operating lease. This lease began March 2022 and is expected to end February 2025. Base rent for this lease shall increase 3% annually on the anniversary of the lease commencement date and each year thereafter. There are no renewal options included in this lease. The lease agreement does not contain any material residual value guarantees or material restrictive covenants. Rent expense under this non-cancelable lease was \$33,255 and \$10,948 for the years ended June 30, 2023 and 2022, respectively. The Organization entered into a sublease agreement dated July 1, 2022 with an individual for a portion of this office space. Sublease rentals received under this lease totaled \$1,800 and are reported as rent income for the year ended June 30, 2023.

The weighted average discount rate related to the Organization's operating lease liabilities as of June 30, 2023 was 2.93%. The Organization elected to use the risk-free rate of return, as the discount rates implicit in the Organization's leases cannot be readily determined.

The weighted average remaining lease term related to the Organization's operating lease liabilities as of June 30, 2023 was 2.91 years.

The maturities of lease liabilities as of June 30, 2023 were as follows:

	<u>Operating Leases</u>
June 30, 2024	\$ 35,484
June 30, 2025	24,682
June 30, 2026	1,316
June 30, 2027	658
Total lease payments	<u>62,140</u>
Less: interest	1,729
Present value of lease liabilities	<u><u>\$ 60,411</u></u>

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

NOTE J - LEASES (continued)

The Organization leases office space to a tenant under a non-cancelable operating lease with the lease term ending on October 31, 2025. Cost and accumulated depreciation of the leased facility at June 30, 2023 was \$630,256 and \$300,597, respectively. The following is a schedule for the next three years of future minimum rentals under the lease at June 30, 2023:

June 30, 2024	\$	66,804
June 30, 2025		66,804
June 30, 2026		22,268
	<u>\$</u>	<u>155,876</u>

NOTE K - CONCENTRATIONS OF CREDIT RISK

Gifts from one organization comprised approximately 14% of the Organization's pledges receivable at June 30, 2023.

Gifts from two individuals and one organization comprised approximately 37% of the Organization's pledges receivable at June 30, 2022. Gifts from two organizations comprised approximately 22% of the Organization's contributions for the year ended June 30, 2022.

NOTE L - 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.

	2023	2022
Cash and cash equivalents	\$ 74,160	\$ 119,202
Accounts receivable	34,628	13,255
Pledges receivable, net	288,487	316,724
Less amounts expected to be received after one year	(15,000)	(59,700)
Investments		1,072
Prepaid expenses	5,912	5,345
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 388,187</u>	<u>\$ 395,898</u>

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

NOTE M - DONATED GOODS AND SERVICES

The Organization receives various forms of gifts in-kind including public service announcements and other food and non-food items such as supplies. Gifts in-kind are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. Gifts in-kind are valued based upon third party estimates of fair market or wholesale values that would be received for selling the goods considering their condition and utility for use as determined by the donor. Donated gifts in-kind are not sold and goods are only distributed for program use.

The Organization received donated media services in the form of broadcasts and public service announcements during the years ended June 30, 2023 and 2022 valued at \$3,201 and \$8,691, respectively. These were valued by third party estimates using media or PSA rates in like circumstances

The Organization received food donations during the year ended June 30, 2022 valued at \$862. These were valued by third party estimates of wholesale prices or similar products and condition. The donations of food were gifted to other local nonprofit organizations during the year ended June 30, 2022.

The Organization received dental kits and unopened over-the-counter medications during the year ended June 30, 2023 valued at \$20,454 and \$39,645, respectively. These were valued by third party estimates of wholesale prices or similar products and condition. The kits and medications were gifted to other local nonprofit organizations during the year ended June 30, 2023.

The Organization received various other non-cash donations in order to host the Longest Table event during the year ended June 30, 2023 valued at \$26,800. These were valued by third party estimates of wholesale prices or similar products and condition. These donations included facility usage, food, marketing costs, and trash services.

NOTE N - 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 O - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through December 27, 2023, the date on which the financial statements were issued.

**SUPPLEMENTARY INFORMATION**

UNITED WAY OF IREDELL COUNTY, INC.  
SCHEDULES OF GRANTS PAID - CASH BASIS  
For the Years Ended June 30, 2023 and 2022

	2023	2022
American Red Cross	\$ 5,000	\$ 6,000
Boys and Girls Club	61,000	31,870
Boy Scouts	5,450	7,351
Center Stage Alliance	17,000	
Children's Home of Iredell	30,000	
Children's Hope Alliance	23,000	54,000
City of Statesville Children's Fund		23,650
Council on Aging	43,750	40,650
Elder Center	1,154	2,000
Fifth Street Ministries	60,317	50,574
Food for Days	2,775	2,750
G4G Ministries	904	1,224
Girl Scouts	3,550	3,550
Habitat for Humanity	7,379	
Head Start, I-Care	15,000	12,000
HealthReach Community Clinic		1,821
Hospice of Iredell County	41,532	34,790
Iredell Christian Ministries	7,000	6,000
Iredell County Partnership for Young Children	11,710	9,419
Iredell County Rescue Squad	1,366	9,138
Iredell Friends of the Library	1,150	10,496
Iredell Statesville Schools	1,500	
Kintegra	46,336	
Lifespan	17,031	17,000
Lowe's YMCA of Greater Charlotte	8,000	
Mooresville Christian Mission	12,238	25
Mooresville Kindness Closet	3,383	
North Iredell Rescue Squad	10,300	9,138
Partners Behavioral Health		32,000
Piedmont Mediation Center	25,183	27,183
Purple Heart Homes	2,956	1,313
Pharos Parenting	28,440	70,870
The Salvation Army	19,650	19,500
Troutman Rescue Squad	10,300	9,138
Statesville YMCA	23,383	23,183
Yokefellow Ministry	10,000	8,729
Other designations	11,250	4,290
Designations to other United Ways	6,435	4,023
	<u>\$ 575,422</u>	<u>\$ 533,675</u>

See independent auditors' report.