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### Organization and Purpose

United Way of Greater High Point, Inc. develops community resources and partnerships that support a broad array of critical health and human service needs in our community. Resources are focused on community impact programs that promote and improve education, income, and health in Greater High Point.

After almost a year spent planning and talking with local leaders, the United Way of Greater High Point, Inc., then called the "Community Chest" and led by Mr. H.A. Millis, first held an organizational meeting on September 12, 1935. A headline in that day's High Point Enterprise read, "Community Chest will be organized tonight." The caption stated, "A gathering will be held at 8 o'clock tonight for purpose of electing Board of Trustees and mapping out plans for the season."

Eighty people attended that first meeting of what is today called the United Way of Greater High Point, Inc. Mr. R.T. Amos was elected the first President of the Board of Directors, and the five original partner agencies were the American Red Cross, The Salvation Army, the YMCA, the YWCA, and the Boy Scouts. The first fundraising campaign began on October 14, 1935, with a goal of \$33,677.32, and it lasted four days!

Today the United Way of Greater High Point, Inc. continues a proud tradition of that original stewardship and commitment to our community. We currently fund 67 programs at 26 partner agencies, including the original five, and hundreds of volunteers help us raise and allocate the funding that supports them.

#### **COMMUNITY IMPACT**

The Community Impact division of the United Way of Greater High Point, Inc. is responsible for allocating funds raised in the Campaign division, developing relationships with community agencies, coordinating outreach activities not associated with the Campaign division, and ensuring that our community's resources are put to work effectively and efficiently.

#### **CHILDREN'S INITIATIVES**

Children's Initiatives include several comprehensive and collaborative initiatives focused on improving the lives of children and families in Greater High Point.

#### RESOURCE DEVELOPMENT

Resource Development includes donor relationship management, cultivation of potential campaign accounts, coordination of employee campaigns and agency tours, campaign reporting, and special events.

Board of Directors Year Ended June 30, 2021

#### **OFFICERS**

Jane Liebscher President ...... Jim Himes Chair ...... Chair-Elect Michelle McNair ..... **Robert Rogers** Past Board Chair ..... Rob & Donna Blakely 2020 Campaign Chair ..... Tony Bertschi 2021 Campaign Chair ...... Michelle McNair Children's Initiatives Chair ...... Leslie Garvin **Community Impact Chair** ..... Philip Kurland Treasurer/Finance Chair ..... Ericka Best-Hunt Secretary ...... **Betsy Lowder** CFO ......

#### **DIRECTORS**

Class of 2020-2021

Term 1
Jenna Beane
Patrick Budd
David Farrelly
Glen Fogle
Kevin Grier
Alyce Warden
Joanna Nifong
Marshall Morgan
DJ Señeres

Term 2
Rick Blake
Caley Edgerly
Leslie Garvin
Jim Himes
Barry Kitley
Michelle McNair
Julie Messner
Ken Smith

Class of 2021-2022

Term 1
Tony Bertschi
Rob Blakely
Donna Blakely
Mark Harris
Matt Sink
Weaver Walden

Term 2
Leslie Ashton
Andrew Caldwell
Tommy Reid
Claire Robinson
Robert Rogers
Matt Thiel

Class of 2022-2023

Term 1
Cyril Jefferson
Phil Kurland

Term 2
Ericka Best-Hunt
Beverly Nelson
Frank Thomas
Caren York



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#### **Independent Auditors' Report**

To the Board of Directors of the United Way of Greater High Point, Inc. High Point, North Carolina

We have audited the accompanying financial statements of United Way of Greater High Point, 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of 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 auditors' 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.

### (Continued)

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Greater High Point, 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.

## **Prior Period Financial Statements**

The financial statements of United Way of Greater High Point, Inc. as of June 30, 2020, were audited by other auditors whose report dated September 9, 2020, expressed an unmodified opinion on those statements.

CARR, RIGGS & INGRAM, LLC

Cam Rigge & Ingram, L.L.C.

High Point, North Carolina October 26, 2021

# **Statement of Financial Position**

			Ju	ne 30, 2021		
		thout Donor estrictions		Vith Donor testrictions	-	Total
<u>ASSETS</u>						
Cash	\$	97,906	\$	415,755	\$	513,661
Short-term cash investments		131,362		16,192		147,554
Accounts receivable		3,150		æ		3,150
Unconditional promises to give -						
Campaign pledges, net of						
reserve for uncollectibles		-		1,335,887		1,335,887
Prepaid expenses		202,260		*		202,260
Multi-year pledges, net of present value discount				322,346		322,346
Long-term investments, at fair value		1,891,493		1,494,614		3,386,107
Property and equipment	_	703,578	_			703,578
TOTAL ASSETS	\$	3,029,749	\$	3,584,794	\$	6,614,543
<u>LIABILITIES</u>						
Accounts payable and						
accrued expenses	\$	87,282	\$	: <b>:</b>	\$	87,282
Campaign designations payable				600,344	·	600,344
Payroll protection program loan		: <u>*</u>	.:-	1E		<u> </u>
TOTAL LIABILITIES	-	87,282		600,344		687,626
NET ASSETS						
Without donor restrictions		2,892,119		<b>≈</b> .		2,892,119
Without donor restrictions, Board designated:		, ,				-,, <b></b> -
Building maintenance		50,348		-		50,348
With donor restrictions				2,984,450	0	2,984,450
TOTAL NET ASSETS		2,942,467	-	2,984,450	8	5,926,917
TOTAL LIABILITIES AND NET ASSETS	\$	3,029,749	\$	3,584,794	\$	6,614,543

# **Statement of Financial Position**

			Ju	ine 30, 2020		
		thout Donor estrictions		With Donor Restrictions	1	Total
<u>ASSETS</u>						
Cash Short-term cash investments Accounts receivable Unconditional promises to give - Campaign pledges, net of	\$	178,529 90,107 -	\$	251,163 29,538	\$	429,692 119,645
reserve for uncollectibles Prepaid expenses Multi-year pledges, net of present value discount Long-term investments, at fair value Property and equipment	:	16,827 - 1,594,255 723,200	6 : <del>4</del>	1,666,109 - 356,653 1,193,896		1,666,109 16,827 356,653 2,788,151 723,200
TOTAL ASSETS	\$	2,602,918	\$	3,497,359	\$	6,100,277
LIABILITIES  Accounts payable and accrued expenses  Campaign designations payable  Payroll protection program loan  TOTAL LIABILITIES	\$	35,044 150,400	\$	671,219	\$	35,044 671,219 150,400
TOTAL LIABILITIES		185,444		671,219		856,663
NET ASSETS						
Without donor restrictions Without donor restrictions, Board designated:		2,367,126		124		2,367,126
Building maintenance With donor restrictions		50,348		- 2,826,140		50,348 2,826,140
TOTAL NET ASSETS		2,417,474		2,826,140		5,243,614
TOTAL LIABILITIES AND NET ASSETS	\$	2,602,918	\$	3,497,359	\$	6,100,277

# **Statement of Activities**

		June 30, 2021	
	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE:		8) 2	
Public support: Annual campaign contributions	\$ ==	\$ 4,124,525	\$ 4,124,525
Less: Allowance for uncollectible pledges	Y 272	(209,341)	(209,341)
Donor designated gifts to others	<b>35</b>	(638,154)	(638,154)
Total annual campaign contributions	2 <del></del>	3,277,030	3,277,030
Grants			
Sponsorships	1.00	155,219 79,453	155,219
Non-cash contributions	25,302	79,433	79,453 25,302
		-	
Total public support	25,302	3,511,702	3,537,004
Revenue:			
Net investment return	313,493	338,288	651,781
Gain on extinguishment of debt	150,400	343	150,400
Miscellaneous revenue	83,028		83,028
Total revenue	546,921	338,288	885,209
Net assets released from restrictions:			
Restrictions satisfied by time	3,220,150	(3,220,150)	<b>3</b> €((
Restrictions satisfied by use	471,530	(471,530)	
Total net assets released			
from restrictions	3,691,680	(3,691,680)	
Total public support and revenue	4,263,903	158,310	4,422,213
ALLOCATIONS AND EXPENSES:			
Program services:	2 604 700		2 604 700
Community Impact Children's Initiatives	2,691,799 135,756	-	2,691,799
Women in Motion	8,820	ā.	135,756 8,820
Total program services	2,836,375	-	2,836,375
Supporting services: Resource development	477,576	2	477,576
Management and general	424,959		424,959
		-	
Total supporting services	902,535	; <del></del> :	902,535
Total allocations and expenses	3,738,910	= =	3,738,910
INCREASE IN NET ASSETS	524,993	158,310	683,303
NET ASSETS AT BEGINNING OF YEAR	2,417,474	2,826,140	5,243,614
NET ASSETS AT END OF YEAR	\$ 2,942,467	\$ 2,984,450	\$ 5,926,917

### **Statement of Activities**

		June 30, 2020	
	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE: Public support:			
Annual campaign contributions  Less: Allowance for uncollectible pledges  Donor designated gifts to others	\$ =	\$ 5,071,474 (293,798) (1,056,603)	\$ 5,071,474 (293,798) (1,056,603)
Total annual campaign contributions	2	3,721,073	3,721,073
Grants Sponsorships Non-cash contributions	41,684	45,765	45,765 41,684
Total public support	41,684	3,766,838	3,808,522
Revenue: Net investment return	48,110	14,634	62,744
Gain on extinguishment of debt	3章	≌	Ti Ti
Miscellaneous revenue	88,715	s <del></del>	88,715
Total revenue	136,825	14,634	151,459
Net assets released from restrictions: Restrictions satisfied by time Restrictions satisfied by use	3,009,280 645,356	(3,009,280) (645,356)	- VE
Total net assets released from restrictions	3,654,636	(3,654,636)	·
Total public support and revenue	3,833,145	126,836	3,959,981
ALLOCATIONS AND EXPENSES: Program services:			
Community Impact	2,869,199	<b>*</b>	2,869,199
Children's Initiatives Women in Motion	199,338		199,338
	2.000.527		
Total program services	3,068,537		3,068,537
Supporting services: Resource development	539,289		E20 200
Management and general	451,748		539,289 451,748
-			
Total supporting services	991,037		991,037
Total allocations and expenses	4,059,574	-	4,059,574
INCREASE (DECREASE) IN NET ASSETS	(226,429)	126,836	(99,593)
NET ASSETS AT BEGINNING OF YEAR	2,643,903	2,699,304	5,343,207
NET ASSETS AT END OF YEAR	\$ 2,417,474	\$ 2,826,140	\$ 5,243,614

UNITED WAY OF GREATER HIGH POINT, INC.

Statement of Functional Expenses

		Program	Program Services	June 3	June 30, 2021	Supporting Services	30		
	Community	Children's	Women		Resource	Management	0	·	Total
	Impact	Initiatives	in Motion	Total	Development	and General	Total	Ĕ	Expenses
Salaries Employee benefits Payroll taxes	\$ 114,061 20,799 8,630	\$ 1,512 1,489 422	\$ 7,639 127 279	\$ 123,212 22,415 9,331	\$ 200,837 60,644 15,110	\$ 218,004 41,801 16,476	\$ 418,841 102,445 31,586	\$	542,053 124,860 40,917
Total salaries and related expenses	143,490	3,423	8,045	154,958	276,591	276,281	552,872		707,830
Allocations - agencies	2,029,108	124,776	1	2,153,884		3	,		7 153 884
Special projects	363,549	2,041	i.	365,590	6	0			365.590
Information technology	30,484	2,109	218	32,811	57,427	44,653	102,080		134,891
Office expense	8,269	921	119	608'6	29,508	27,784	57,292		66,601
Dues and subscriptions	18,530	1,413	£	19,943	40,668	24,949	65,617		85,560
Occupancy	10,083	299	E)	10,682	16,304	11,881	28,185		38,867
Protessional tees	1,016	107	(O <b>■</b> 1)	1,123	2,726	27,229	29,955		31,078
Supplies, expenses - non-cash	*	- T	19.0	0	25,302	10	25,302		25,302
Advertising and promotions	£2	8.	334	334	090'9	1	090'9		6,394
Insurance	467	49	I	516	1,255	2,676	3,931		4,447
Printing and publications	569	Š1.	1	569	3,392	127	3,519		3,788
Travel	884	ĝ <b>i</b>	54	938	1,785	38	1,823		2,761
Meetings and events	265	7	50	322	415	745	1,160		1,482
Staff development	ři.	Ŷ.	•	38	300	735	1,035		1,035
Bank charges	è	•	F2	9	*	79	79		79
Miscellaneous	76,370	v)		76,370	1,854	10	1,864		78,234
Total expenses before depreciation	2,682,784	135,445	8,820	2,827,049	463,587	417,187	880,774	, U	3,707,823
Depreciation	9,015	311	*	9,326	13,989	7,772	21,761		31,087
Total expenses	\$ 2,691,799	\$ 135,756	\$ 8,820	\$ 2,836,375	\$ 477,576	\$ 424,959	\$ 902,535	₩	3,738,910

UNITED WAY OF GREATER HIGH POINT, INC. Statement of Functional Expenses

		۵	Program Services	S		June	June 30, 2020	Support	Supporting Services			ľ	
	Community	_	Children's			Res	Resource	Man	Management				Total
	ווויממרו	I	IIIIIIIIIIII		Iotal	Deve	Development	and	and General		Total		Expenses
	\$ 112,921 23,837	21 \$ 37	39,298 4,016	↔	152,219	\$	230,966	\$	241,038	❖	472,004	↔	624,223
	8,571	71	2,990	_	11,561		17,429		18,223		35,652	į	146,623 47,213
Total salaries and related expenses	145,329	29	46,304	_	191,633		313,994		312,432		626,426		818,059
	2,296,892	92	132,764		2,429,656		ĵ.		7				7 479 656
	266,734	34	16		266,750		E.		<i>F</i> :		3		266,227,2
	34,112	12	5,365		39,477		47,390		46,002		93,392		132.869
	10,806	90	3,824		14,630		28,058		25,472		53,530		68.160
	12,140	40	4,919	_	17,059		29,297		17,803		47,100		64.159
	2,963	63	2,995		10,958		19,092		10,420		29,512		40.470
	7	764	341		1,105		2,048		24,334		26,382		27.487
		i	*	ſ2	3		41,684		0		41,684		41,684
		Ē	41		41		14,302		438		14,740		14,781
	4	446	198		644		1,188		2,627		3,815		4,459
		9	1.				11,167		213		11,380		11,380
	1,112	12	543		1,655		992'9		531		7,297		8,952
	3,419	19	249		3,668		6,310		1,390		7,700		11,368
		8			*		₩.		735		735		735
			1.1		(1)		•		a				•
	80,942	42	r <sub>e</sub>		80,942		1,625		455		2,080		83,022
Total expenses before depreciation	2,860,659	29	197,559		3,058,218		522,921		442,852		965,773	,	4,023,991
	8,540	8 	1,779	1	10,319		16,368		8,896		25,264		35,583
	\$ 2,869,199	99    	199,338	ν <b> </b>	3,068,537	·Λ·	539,289	٠	451,748	\$	991,037	s	4,059,574

See accompanying summary of accounting policies and notes to financial statements.

### **Statements of Cash Flows**

	Year ende	d June 30,
	2021	2020
Cash flows from operating activities:		··
Cash received from donors	\$ 3,956,109	\$ 3,674,052
Interest and dividends received	23,756	35,328
Cash paid to suppliers, employees, and agencies	(3,886,592)	(3,971,104)
Net cash provided by (used in) operating activities	93,273	(261,724)
Cash flows from investing activities:		
Acquisition of property and equipment	(11,464)	(7,179)
Proceeds from sale of marketable securities	584,709	1,248,244
Acquisition of marketable securities	(554,640)	(1,062,021)
Net cash provided by investing activities	18,605	179,044
Cash flows from financing activities:		
Proceeds from payroll protection program		150,400
Increase in cash and cash equivalents	111,878	67,720
Cash and cash equivalents at beginning of year	549,337	481,617
Cash and cash equivalents at end of year	\$ 661,215	\$ 549,337
Schedule of Non-Cash Investing Activities -		
Increase in value of securities	\$ 628,025	\$ 27,566
Reconciliation to Cash and Cash Equivalents and Restricted Cash on the	Statement of Financial	Position:
Cash and cash equivalents without donor restrictions	\$ 229,268	\$ 268,636
Cash and cash equivalents with donor restrictions	431,947	280,701
Cash and cash equivalents on the Statements of Cash Flows	\$ 661,215	\$ 549,337
Schoolule of Non-Cook Financian Authority		
Schedule of Non-Cash Financing Activities -		
Paycheck Protection Program loan forgiveness	\$ 150,400	\$

### **Summary of Accounting Policies**

#### **BASIS OF ACCOUNTING**

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for operating and building reserves.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor)-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows, the Organization considers all cash accounts which are not subject to withdrawal restrictions and all highly liquid debt instruments with a maturity of three months or less as cash and cash equivalents.

#### RESTRICTED CASH

Amounts included in restricted cash represent those contributions with donor restrictions to be used for a purpose or time. The restriction will lapse when the purpose is met or with the passage of time.

#### **PLEDGES RECEIVABLE**

Unconditional promises that are expected to be collected within one year are reported at net realizable value. Amounts to be collected in future years are discounted to estimate the present value of future cash flows. Discounts are computed using the federal prime borrowing rate to the years in which the promises are received. Amortization of discounts is included in contributions revenue. An allowance for uncollectible receivables is provided when it is believed balances may not be collected in full. The adequacy of the allowance at the end of each period is determined using a combination of historical loss experience and donor by donor analysis of balances.

**Summary of Accounting Policies (Continued)** 

#### PROPERTY, EQUIPMENT, AND DEPRECIATION

Property and equipment are capitalized and recorded at cost by the Organization for assets costing \$500 or more. Expenditures for maintenance, repairs, and minor renewals are charged to expense as incurred. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Donations of property and equipment are recorded as support at their estimated fair value on date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor restrictions regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

#### **DONATED MATERIALS AND SERVICES**

Donated materials and services are reflected as contributions at their estimated fair values at date of receipt. Amounts have not been reflected in the statements for donated services of volunteers inasmuch as an objective basis is not available to measure the value of such services; however, a substantial number of volunteers donated significant amounts of their time in the Organization's fundraising campaigns.

#### **REVENUE RECOGNITION**

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange of goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry specific guidance. For nonpublic entities, these amendments are effective for annual reporting periods beginning after December 15, 2019. This adoption did not have a significant impact on the Organization's financial statements.

Contributions are recognized when cash, 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. Contributions received with donor-imposed restrictions are reported as an increase in net assets with donor restrictions depending on the nature of the restrictions. When restrictions expire, with donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Pledge receivables are recorded as without donor restrictions when receivable in less than one year.

**Summary of Accounting Policies (Continued)** 

#### INVESTMENTS AND ENDOWMENT FUNDS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Market value is determined by quoted market prices. Realized and unrealized gains and losses are included in the change in net assets. The Organization maintains master investment accounts which are managed by Blakely Financial and High Point Community Foundation. Realized and unrealized gains and losses from securities in the master investment account are allocated monthly to individual funds based on the relationship of the market value of each fund to the total market value of the master investment account, as adjusted for individual additions to and deductions from the funds. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses less external investment expenses.

The Organization's investment policy states that the overall investment objective is to maximize return on the assets consistent with the fiduciary character of the funds. The Organization considers implementation of investment strategies that involve a reasonable variability of returns within asset class and diversification across investment markets. The assets of the investment portfolio are comprised of Fixed Income, Equity, Alternatives, and Cash/Cash Equivalents. The target allocation is 50% Fixed Income, 40% Equity, and 5% Cash/Cash Equivalents, with allowable ranges of 40-60% in Fixed Income, 30-50% in Equity, 0-15% in Alternatives, and 0-15% in Cash and Cash Equivalents. These investment objectives are to be reviewed by the Investment Committee at least annually for their continued appropriateness.

In the event the Organization enters a state of emergency as determined by the Finance/Investment committee, the committee reserves the right to instruct the investment manager to deviate from the long-term investment targets in order to provide for projected cash flow needs of the Organization. The committee will review the allocation and the state of emergency status no less than every 90 days to determine appropriate time to authorize the investment manager to rebalance to targeted long-term investment allocations.

The Endowment Fund consists of assets designated by two donors as being for permanent investment. The earnings are to be used for "strengthening individuals and families" and "improving lives of children and youth". Two designated disbursements from each endowment are to be made annually to the United Way of Greater High Point, Inc.'s annual fundraising campaign. Since these assets are seen as long-term investments, they do not follow the policy listed above in terms of target allocations. These assets are invested with the High Point Community Foundation and follow the target allocations set by their investment committee.

#### **FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. The statement of Functional Expenses present the natural classification detail of expenses by function. The expenses that are allocated include occupancy and depreciation, which are allocated on square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology and insurance which are allocated on the basis of estimated time and effort.

**Summary of Accounting Policies (Continued)** 

#### **MANAGEMENT ESTIMATES**

The presentation 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 the 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.

#### PAYCHECK PROTECTION PROGRAM

Under FASB Accounting Standards Codification (ASC) 470, Debt, the proceeds from the Paycheck Protection Program have been accounted for as a financial liability at June 30, 2020. The proceeds from the loan will remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven and the Organization has been released from the obligation, or (2) the Organization pays off the loan. In the event the loan is, in part or wholly, forgiven the Organization will reduce the liability by the amount forgiven and record gain on extinguishment. Due to increased clarity from the Small Business Administration related to this program, the Company believes these proceeds are more appropriately accounted for as a government grant in accordance with IAS 20, since all of the proceeds were used in accordance with the program requirements and are likely to be forgiven. The Company prepared and submitted the SBA's forgiveness application prior to June 30, 2021 and received complete forgiveness in July, 2021. Accordingly, these proceeds were also recorded as a gain on extinguishment for the year ended June 30, 2021.

#### **SUBSEQUENT EVENTS**

The Organization has evaluated events and transactions that occurred between June 30, 2021 and October 26, 2021, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

#### **Notes to Financial Statements**

#### **NOTE 1 - NATURE OF ACTIVITIES**

The Organization is a non-profit organization which emphasizes broad citizen involvement to seek and provide financial, volunteer and professional resources to effectively and efficiently meet human needs in the communities of High Point, Jamestown, Archdale, and Trinity, North Carolina. Its mission is to develop resources and partnerships that make a measurable difference in people's lives.

#### **NOTE 2 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

		Jun	e 30,	
	1	2021		2020
Total assets	\$	6,614,543	\$	6,100,277
Less:				
Cash - with donor restrictions		415,756		251,163
Cash - short-term investments with donor restrictions		16,192		29,538
Campaign pledges - net of uncollectibles		1,335,887		1,666,109
Multi-year campaign pledges - net of present value discount		322,346		356,653
Land, buildings, and equipment		703,578		723,200
Prepaid expenses		202,260		16,827
Hayworth/Slane endowments	_	1,494,614	_	1,193,896
Financial assets available to meet cash needs for general				
expenditures within one year	\$	2,123,910	\$	1,862,891

The Organization's endowment funds (the John C. and Marsha Slane Fund for Improving the Lives of Children and Youth and the David R. Hayworth Fund for Strengthening Individuals and Families) consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

The Board-designated Building Reserve Fund is restricted to expenditures for maintaining the building. There is no spending rate limit on this fund. Although the Organization does not intend to spend from this Board-designated fund (other than for appropriate building related expenditures), these amounts could be made available if necessary. A Reserves Policy was created that requires four months of allocations and operations to be maintained in the Cash Reserves fund.

As part of a liquidity management plan, cash in excess of daily requirements is invested in Fixed Income, Equity, Alternatives, and Cash/Cash Equivalents. Investment managers must provide that liquidity can be provided within trade date plus three days settlement for a minimum of 75% of the investment portfolio. This liquidity provision is not designed to eliminate the market risk of the portfolio, only to provide that liquidity can be provided in a timely manner if desired by the Organization.

**Notes to Financial Statements (Continued)** 

#### **NOTE 3 - INVESTMENTS**

Professional accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Inputs to the valuation 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 asset or liability.
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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. A significant portion of investments are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption rates. The Organization invests in U.S. government obligations which are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions and are classified as Level 2.

Fair value of investments by hierarch level are as follows:

		June 30, 2021	
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Mutual funds - equities Bonds Hedge funds Tangible commodities	\$ 2,190,989	981,404 101,337 112,377	\$ - - \$
	Level 1 Inputs	June 30, 2020 Level 2 Inputs	Level 3 Inputs
Mutual funds - equities Bonds Hedge funds Tangible commodities	\$ 1,759,571 - - -	. \$ - 854,945 - 145,666 - 27,969	\$ - - -
	\$ 1,759,571	\$ 1,028,580	\$ -

**Notes to Financial Statements (Continued)** 

## **NOTE 3 - INVESTMENTS** (Continued)

Unrealized appreciation of investments consisted of the following:

Cost   Fair Value   Appreciate			0.0				
Cost   Fair Value   Appreciate				Ju	ine 30, 2021		
Held in Blakely Financial Unsecured Master Trust:   Fixed income							Unrealized
Held in Blakely Financial Unsecured Master Trust:   Fixed income			Cost		Fair Value	Α	ppreciation
Fixed income Equities         \$ 709,166         \$ 721,925         \$ 320           Held by High Point Community Foundation         1,558,324         1,891,493         333           Held by High Point Community Foundation         1,131,258         1,494,614         363           June 30, 2020         Unrealize Appreciate           Lead of the property of the proper	Held in Blakely Financial			_			
Equities         849,158         1,169,568         320           Held by High Point Community Foundation         1,558,324         1,891,493         333           \$ 2,689,582         \$ 3,386,107         \$ 690           Held by High Point Community Foundation         \$ 2,689,582         \$ 3,386,107         \$ 690           Unsecured Master Trust:         Fixed income         \$ 611,730         \$ 627,082         \$ 15           Equities         881,685         967,173         85           Equities         881,685         967,173         85           Held by High Point Community Foundation         1,135,338         1,193,896         58           \$ 2,628,753         \$ 2,788,151         \$ 150           These investments were restricted as follows:         Without Donor Restrictions         Total           Building fund         \$ 61,295         \$ -         \$ 61           Cash reserve fund         1,961,560         -         1,961           Fund for strengthening individuals and families         -         719,130         719           Fund for improving children's lives         -         791,676         791           Total in master investment account         2,022,855         1,510,806         3,533	Unsecured Master Trust:						
Equities         849,158         1,169,568         320           1,558,324         1,891,493         333           1,131,258         1,494,614         363           \$ 2,689,582         \$ 3,386,107         \$ 690           June 30, 2020           Unrealize Appreciate           Held in Blakely Financial         Unsecured Master Trust:         Fair Value         Pappreciate           Fixed income         \$ 611,730         \$ 627,082         \$ 15           Equities         881,685         967,173         85           1,493,415         1,594,255         100           Held by High Point Community Foundation         1,135,338         1,193,896         58           \$ 2,628,753         \$ 2,788,151         \$ 150           These investments were restricted as follows:         June 30, 2021         With Donor Restrictions         Total           Building fund         \$ 61,295         \$ -         \$ 61           Cash reserve fund         1,961,560         -         1,961           Fund for strengthening individuals and families         -         719,130         719           Fund for improving children's lives         -         791,676         791           Total in master investment account <td>Fixed income</td> <td>\$</td> <td>709,166</td> <td>\$</td> <td>721,925</td> <td>\$</td> <td>12,759</td>	Fixed income	\$	709,166	\$	721,925	\$	12,759
Held by High Point Community Foundation	Equities		849,158			·	320,410
Held by High Point Community Foundation		_				-	333,169
Sample   S	Held by High Point Community Foundation				•		363,356
June 30, 2020   Cost   Fair Value   Cost   Fair Value   Appreciate	The state of the s	-	1,131,230	-	1,454,014	-	303,330
Held in Blakely Financial   Unsecured Master Trust:   Fixed income   \$611,730   \$627,082   \$15   Equities   881,685   967,173   85   1,493,415   1,594,255   100   1,315,338   1,193,896   58   1,493,415   1,594,255   100   1,315,338   1,193,896   58   1,315   1		\$	2,689,582	\$	3,386,107	\$	696,525
Held in Blakely Financial   Unsecured Master Trust:   Fixed income   \$611,730   \$627,082   \$15   Equities   881,685   967,173   85   1,493,415   1,594,255   100   1,315,338   1,193,896   58   1,493,415   1,594,255   100   1,315,338   1,193,896   58   1,315   1							
Cost   Fair Value   Appreciate				Ju	ne 30, 2020		
Held in Blakely Financial   Unsecured Master Trust:   Fixed income   \$ 611,730   \$ 627,082   \$ 15		-					Unrealized
Unsecured Master Trust:   Fixed income			Cost		Fair Value	Α	ppreciation
Fixed income         \$ 611,730         \$ 627,082         \$ 15           Equities         881,685         967,173         85           1,493,415         1,594,255         100           1,493,415         1,594,255         100           1,135,338         1,193,896         58           \$ 2,628,753         \$ 2,788,151         \$ 159           Without Donor Restrictions         With Donor Restrictions         Total           Building fund         \$ 61,295         \$ -         \$ 61           Cash reserve fund         1,961,560         -         1,961           Fund for strengthening individuals and families         -         719,130         719           Fund for improving children's lives         -         791,676         791           Total in master investment account         2,022,855         1,510,806         3,533	•						
Equities 881,685 967,173 85  1,493,415 1,594,255 100  1,135,338 1,193,896 58  \$ 2,628,753 \$ 2,788,151 \$ 159  These investments were restricted as follows:    June 30, 2021	Unsecured Master Trust:						
1,493,415   1,594,255   100	Fixed income	\$	611,730	\$	627,082	\$	15,352
Held by High Point Community Foundation	Equities		881,685		967,173		85,488
\$ 2,628,753   \$ 2,788,151   \$ 159   These investments were restricted as follows:    June 30, 2021			1,493,415		1,594,255		100,840
These investments were restricted as follows:    June 30, 2021	Held by High Point Community Foundation	-	1,135,338		1,193,896	_	58,558
June 30, 2021Without Donor RestrictionsWith Donor RestrictionsTotalBuilding fund\$ 61,295\$ - \$ 61Cash reserve fund1,961,560- 1,961Fund for strengthening individuals and families- 719,130719Fund for improving children's lives- 791,676791Total in master investment account2,022,8551,510,8063,533		\$	2,628,753	\$	2,788,151	\$	159,398
June 30, 2021Without Donor RestrictionsWith Donor RestrictionsTotalBuilding fund\$ 61,295\$ - \$ 61Cash reserve fund1,961,560- 1,961Fund for strengthening individuals and families- 719,130719Fund for improving children's lives- 791,676791Total in master investment account2,022,8551,510,8063,533							
Without Donor Restrictions Restrictions Total  Building fund \$ 61,295 \$ - \$ 61  Cash reserve fund 1,961,560 - 1,961  Fund for strengthening individuals and families - 719,130 719  Fund for improving children's lives - 791,676 791  Total in master investment account 2,022,855 1,510,806 3,533	These investments were restricted as follows:						
Building fund\$ 61,295\$ -\$ 61Cash reserve fund1,961,560-1,961Fund for strengthening individuals and families-719,130719Fund for improving children's lives-791,676791Total in master investment account2,022,8551,510,8063,533		14.00					
Building fund       \$ 61,295       \$ - \$ 61         Cash reserve fund       1,961,560       - 1,961         Fund for strengthening individuals and families       - 719,130       719         Fund for improving children's lives       - 791,676       791         Total in master investment account       2,022,855       1,510,806       3,533							
Cash reserve fund 1,961,560 - 1,961 Fund for strengthening individuals and families - 719,130 719 Fund for improving children's lives - 791,676 791  Total in master investment account 2,022,855 1,510,806 3,533		-		-	estrictions		Total
Fund for strengthening individuals and families - 719,130 719 Fund for improving children's lives - 791,676 791  Total in master investment account 2,022,855 1,510,806 3,533	_	\$		\$	-	\$	61,295
individuals and families - 719,130 719 Fund for improving children's lives - 791,676 791  Total in master investment account 2,022,855 1,510,806 3,533			1,961,560		-		1,961,560
Fund for improving children's lives 791,676 791  Total in master investment account 2,022,855 1,510,806 3,533							
Total in master investment account 2,022,855 1,510,806 3,533			022		719,130		719,130
2,522,555	Fund for improving children's lives	-	-	-	791,676	-	791,676
Less money market funds not invested 131,362 16,192 147			2,022,855		1,510,806		3,533,661
	Less money market funds not invested	-	131,362	-	16,192	-	147,554
Total investments \$ 1,891,493 \$ 1,494,614 \$ 3,386	Total investments	\$	1,891,493	\$	1,494,614	\$	3,386,107

**Notes to Financial Statements (Continued)** 

## **NOTE 3 - INVESTMENTS** (Continued)

Net realized and unrealized gains

Investment fees

Net investment return

			Ju	ne 30, 2020		
	Wit	hout Donor	٧	Vith Donor		
	Re	estrictions	F	estrictions		Total
Building maintenance fund	\$	50,348	\$		\$	50,348
Cash reserve fund		1,634,014		36		1,634,014
Fund for strengthening						
individuals and families				559,751		559,751
Fund for improving children's lives		824		663,683		663,683
Total in master investment account		1,684,362		1,223,434	-	2,907,796
Less money market funds not invested		90,107	-	29,538		119,645
Total investments	\$	1,594,255	\$	1,193,896	\$	2,788,151

The following summarizes the investment return and its classification in the statement of activities:

	June 30, 2021 Without Donor With Donor					
	Restrictions		Restrictions		Total	
Interest and dividends Net realized and unrealized gains Investment fees	\$	28,742 293,326 (8,575)	\$	19,017 334,698 (15,427)	\$	47,759 628,024 (24,002)
Net investment return	\$	313,493	\$	338,288	\$	651,781
			Jun	e 30, 2020		
		nout Donor strictions		ith Donor estrictions		Total
Interest and dividends	\$	31,716	\$	26,416	\$	58,132

24,373

(7,979)

48,110

3,043

(14,825)

14,634

\$

27,416

(22,804)

62,744

**Notes to Financial Statements (Continued)** 

#### NOTE 4 ~ BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

United Way of Greater High Point, Inc. established an endowment fund that is perpetual in nature (the fund) under a community foundation. The fund is intended to be an agency fund arising from a reciprocal transaction because the Organization as transferor has specified itself as the sole Fund beneficiary and that the community foundation will record a corresponding liability for all assets transferred to the fund. In addition, the Organization may report a beneficial interest in the Fund assets on its financial statements and the Organization shall have the sole authority to advise the community foundation as to distributions from the fund in accordance with the instructions of its Board of Directors. The fund is held and invested by the community foundation for the Organization's benefit and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statement of activities.

#### **NOTE 5 - PROMISES TO GIVE**

Unconditional promises to give consist of the following:

	:	2021	٨	2020
Gross promises to give Less unamortized discount Less allowance for uncollectible promises to give	\$	2,222,985 (32,654) (532,098)	\$	2,668,807 (43,347) (602,698)
Net unconditional promises to give	\$	1,658,233	\$	2,022,762
Amounts dues in: Less than one year One to five years	\$	1,867,985 355,000	\$	2,268,807 400,000
Gross promises to give	\$	2,222,985	\$	2,668,807

A five-year pledge campaign called "My Gift" began in the prior year. These promises to give have been recorded at a net present value using the federal prime rate of 4.75% as the discount rate.

#### **NOTE 6 - PROPERTY AND EQUIPMENT**

Major classes of property and equipment consist of the following:

	June 30,			
	_	2021	-	2020
Land	\$	170,749	\$	170,749
Building and improvements		528,503		528,503
Office furniture and equipment		213,869		250,570
		913,121		949,822
Less accumulated depreciation		209,543		226,622
Net property and equipment	\$	703,578	\$	723,200

**Notes to Financial Statements (Continued)** 

# **NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or time:

	June 30,			
		2021		2020
Subject to expenditure for specified purpose:	2			
Backpack program	\$	155,608	\$	145,382
Greater High Point Food Alliance		· ·		Je
Project board development		8,193		7,782
Miscellaneous programs		120,670		39,938
		284,471		193,102
Subject to the passage of time:				
Restricted for fund distributions		1,187,666		1,408,096
Endowment:				
Subject to NFP endowment spending policy and appropriation:				
Services to children and families		512,313		224,942
Investments restricted in perpetuity		1,000,000		1,000,000
	_	1,512,313		1,224,942
	\$	2,984,450	\$	2,826,140
Use restricted grants	\$	796,784	\$	418,044
Use restricted public support		1,187,666		1,408,096
Restricted in perpetuity		1,000,000		1,000,000
	\$	2,984,450	\$	2,826,140

Income from \$1,000,000 of perpetuity restricted net assets is restricted for services to children and families. These assets were designated by donors as being for permanent investment.

**Notes to Financial Statements (Continued)** 

#### **NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS** (Continued)

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of time or other events specified by the donors as follows:

	June 30,				
	2021			2020	
Satisfaction of purpose restrictions:					
Backpack program	\$	157,115	\$	180,568	
Greater High Point Food Alliance		<b>*</b> 9		122,085	
Project board development		15		1,187	
Services for children and families		50,917		76,140	
COVID 19 Emergency Fund		14,064		227,455	
Miscellaneous programs		249,419		37,921	
		471,530		645,356	
Expiration of time restrictions		3,220,150		3,009,280	
	\$	3,691,680	\$	3,654,636	
Grants use restrictions met	\$	471,530	\$	645,356	
Public donor use restrictions met		3,220,150		3,009,280	
	\$	3,691,680	\$	3,654,636	

#### **NOTE 8 – ANNUAL CAMPAIGN**

The annual fundraising campaign is conducted to raise support to invest in community program services and strategic initiatives. Each year by the end of June, United Way of Greater High Point, Inc. reports to the public the total estimated annual campaign funds raised. Actual results may differ from estimated amounts publicly reported due to timing differences on multi-year pledges and receipts for future campaigns, among other things. The calendar year 2021 and 2020 commitments to programs and agencies are based on the results of the fall and winter 2020 and 2019 campaigns, and are reflected as community investment expense in the statement of activities for the years ended June 30, 2021 and 2020, respectively. Amounts received in 2021 and 2020 for donor-designated gifts to others total \$638,154 and \$1,056,603, respectively.

#### **NOTE 9 - EMPLOYEE BENEFIT PLAN**

The Organization maintains a thrift plan for eligible employees which qualifies under Section 403(b) of the Internal Revenue Code. The Plan allows participants to contribute up to 25% of their compensation. Total contributions by the Organization to the Plan were \$43,115 for the year ended June 30, 2021 and \$48,061 for the year ended June 30, 2020.

Notes to Financial Statements (Continued)

#### **NOTE 10 - LEASES**

The Organization leases various equipment under non-cancelable leases with future lease payments as follows:

	\$	71,478
2024	_	22,656
2023		22,656
2022	\$	26,166

Total rent expense amounted to \$25,896 for years ended June 30, 2021 and June 30, 2020.

The Organization leases building space to unrelated parties with monthly lease payments of \$900 and \$450 through September 30, 2021 and June 30, 2021, respectively. Total rent income received was \$5,550 and \$4,650 in 2021 and 2020 respectively.

#### **NOTE 11 - OVERHEAD RATIO**

The overhead ratio is equal to fund-raising, management, and general expenses divided by total campaign support and all other revenue sources. The ratio is calculated below using the Gross Method recommended in Functional Expenses and Overhead Reporting Guidelines for United Ways, United Way Worldwide.

			June 30,		
		2021		2020	
Numerator:	Supporting services and general	\$	902,535	\$	991,037
Denominator:	Total support and other revenue		4,422,213		3,959,982
	Allowance for uncollectible pledges		209,341		293,798
	Amounts designated for specific agencies		638,154		1,056,603
	Net investment return		(651,781)		(62,744)
	Loss (gain) of sale of assets		=		*
	Events and rental income	-	(6,375)		(7,754)
		\$	4,611,552	\$	5,239,885
Numerator/de	nominator expressed as a percent		19.57%		18.91%

### **NOTE 12 - CONCENTRATION OF CREDIT RISK**

United Way of Greater High Point, Inc. manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, United Way of Greater High Point, Inc. has not experienced losses in any of these accounts. Credit risk associated with promises to give is considered to be limited due to high historical collection rates.

**Notes to Financial Statements (Continued)** 

#### **NOTE 13 - INCOME TAXES**

United Way of Greater High Point, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has classified the Organization as other than a private foundation. Contributions to United Way of Greater High Point, Inc. qualify for the charitable contribution deduction under Section 170 of the Internal Revenue Code.

#### **NOTE 14 - RISK AND UNCERTAINTIES**

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such change could materially affect the amounts reported in the statement of activities. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

In March 2020, the World Health Organization declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. As the global spread of COVID-19 continues, there may be financial or operational impact though the extent of such impact is unpredictable at this time. The financial statements do not reflect any adjustments as a result of the ongoing increase in economic uncertainty.