United Way of North Carolina

UNITED WAY OF NORTH CAROLINA

FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

Williams Overman Pierce, LLP
CPAs • Advisors

UNITED WAY OF NORTH CAROLINA
CONTENTS

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CPAs • Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of North Carolina

Opinion

We have audited the accompanying financial statements of United Way of North Carolina, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Way of North Carolina as of December 31, 2023 and 2022, and the activities and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of United Way of North Carolina and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of North Carolina's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audits 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 audits in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 North Carolina'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 North Carolina'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 audits.

Williams Overman Pierce, LLP

Raleigh, North Carolina
September 17, 2024

UNITED WAY OF NORTH CAROLINA
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current Assets:		
Cash	$ 403,727	$ 409,667
Restricted cash	41,852	41,852
Accounts receivable, net	832,004	712,619
Prepaid expenses and other current assets	5,823	5,364
Total current assets	1,283,406	1,169,502
Right-of-use assets	235,043	29,702
Property and equipment, net	4,000	4,000
	239,043	33,702
	$ 1,522,449	$ 1,203,204
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current portion of operating lease liabilities	$ 75,179	$ 29,426
Accounts payable and accrued expenses	33,922	153,766
Agency funds held	41,852	41,852
Line of credit	-	100,000
Accrued pension benefits	122,413	176,713
Contract liabilities	-	16,500
Total current liabilities	273,366	518,257
Long-Term Liabilities:		
Operating lease liabilities, less current portion	160,295	-
Total long-term liabilities	160,295	-
Commitments and Contingencies (Note 7)		
Net Assets:		
Without donor restrictions:		
Undesignated	1,088,788	684,947
	$ 1,522,449	$ 1,203,204

See accompanying notes to financial statements.

UNITED WAY OF NORTH CAROLINA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:			
Local United Way dues	$ 194,298	$ -	$ 194,298
Grants	2,913,822	-	2,913,822
Marketing sponsorships	31,250	-	31,250
Conference registration fees	21,956	-	21,956
Service contract revenue	502,019	-	502,019
Miscellaneous	3,053	-	3,053
Total support and revenues	3,666,398	-	3,666,398
Operating Expenses:			
Program services:			
Member services	130,225	-	130,225
NCCARE360	970,558	-	970,558
North Carolina 211	2,019,872	-	2,019,872
Total program services	3,120,655	-	3,120,655
Management and general	215,138	-	215,138
Total operating expenses	3,335,793	-	3,335,793
Change in net assets	330,605	-	330,605
Pension related charges, other than net periodic pension cost (effect of ASC 715 provisions)	73,236	-	73,236
Net assets at beginning of year	684,947	-	684,947
Net assets at end of year	$ 1,088,788	$ -	$ 1,088,788

See accompanying notes to financial statements.

UNITED WAY OF NORTH CAROLINA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:			
Local United Way dues	$ 202,358	$ -	$ 202,358
Grants	2,536,557	-	2,536,557
Conference registration fees	28,066	-	28,066
Service contract revenue	670,671	-	670,671
Miscellaneous	4,885	-	4,885
Total support and revenues before net asset releases	3,442,537	-	3,442,537
Net assets released from donor restrictions	142,520	(142,520)	-
Total support and revenues	3,585,057	(142,520)	3,442,537
Operating Expenses:			
Program services:			
Member services	97,563	-	97,563
NCCARE360	848,701	-	848,701
North Carolina 211	2,034,047	-	2,034,047
Total program services	2,980,311	-	2,980,311
Management and general	265,912	-	265,912
Total operating expenses	3,246,223	-	3,246,223
Change in net assets	338,834	(142,520)	196,314
Pension related charges, other than net periodic pension cost (effect of ASC 715 provisions)	(122,365)	-	(122,365)
Net assets at beginning of year	468,478	142,520	610,998
Net assets at end of year	$ 684,947	$ -	$ 684,947

See accompanying notes to financial statements.

UNITED WAY OF NORTH CAROLINA
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	Program Services				Supporting Services	
	Member Services	NCCARE360	North Carolina 211	Total	Management and General	Total
Salaries	$ 79,703	$ 541,977	$ 892,668	$ 1,514,348	$ 79,702	$ 1,594,050
Payroll taxes and employee benefits	29,246	198,871	327,552	555,669	29,246	584,915
Total salaries and related expenses	108,949	740,848	1,220,220	2,070,017	108,948	2,178,965
Consultant and professional services	-	74,258	440,720	514,978	80,991	595,969
Conferences and meetings	4,629	7,275	47,616	59,520	6,613	66,133
NCCARE360	-	94,614	173,666	268,280	969	269,249
Occupancy	6,816	19,595	51,970	78,381	6,816	85,197
Equipment rental and maintenance	1,277	1,277	1,277	3,831	1,278	5,109
Postage and freight	-	138	397	535	66	601
Telephone and internet	7,222	20,764	55,974	83,960	6,320	90,280
Supplies and copying	1,332	3,063	8,257	12,652	665	13,317
Other programmatic expenses	-	1,130	1,969	3,099	129	3,228
Bank account and merchant fees	-	802	2,300	3,102	383	3,485
Advertising	-	3,541	6,172	9,713	405	10,118
Liability insurance	-	3,253	9,334	12,587	1,555	14,142
	$ 130,225	$ 970,558	$ 2,019,872	$ 3,120,655	$ 215,138	$ 3,335,793

See accompanying notes to financial statements.

UNITED WAY OF NORTH CAROLINA
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	Program Services				Supporting Services	
	Member Services	NCCARE360	North Carolina 211	Total	Management and General	Total
Salaries	$ 62,878	$ 427,571	$ 704,235	$ 1,194,684	$ 62,879	$ 1,257,563
Payroll taxes and employee benefits	18,742	127,450	209,915	356,107	18,742	374,849
Total salaries and related expenses	81,620	555,021	914,150	1,550,791	81,621	1,632,412
Consultant and professional services	-	124,900	741,281	866,181	136,227	1,002,408
Conferences and meetings	3,897	6,123	40,080	50,100	5,567	55,667
NCCARE360	-	20,053	36,808	56,861	206	57,067
Occupancy	4,090	18,814	49,897	72,801	8,998	81,799
Equipment rental and maintenance	1,498	1,498	1,498	4,494	1,498	5,992
Department executive program	-	292	839	1,131	140	1,271
Postage and freight	-	418	1,199	1,617	199	1,816
Telephone and internet	5,908	27,176	73,256	106,340	11,815	118,155
Supplies and copying	-	1,750	4,717	6,467	1,141	7,608
Other programmatic expenses	-	71,961	125,418	197,379	8,225	205,604
Bank account and merchant fees	-	1,095	3,142	4,237	524	4,761
Advertising	-	4,656	8,115	12,771	533	13,304
Liability insurance	-	1,575	4,520	6,095	754	6,849
Distributions to community agencies	550	1,150	3,300	5,000	-	5,000
Capital expenditures	-	5,022	5,174	10,196	5,022	15,218
Miscellaneous	-	7,197	20,653	27,850	3,442	31,292
	$ 97,563	$ 848,701	$ 2,034,047	$ 2,980,311	$ 265,912	$ 3,246,223

See accompanying notes to financial statements.

UNITED WAY OF NORTH CAROLINA
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Changes in net assets	$ 330,605	$ 196,314
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Non-cash lease expense	707	(276)
Credit losses	-	32,856
Effect of adoption of recognition provisions of ASC 715	73,236	(122,365)
(Increase) decrease in:		
Accounts receivable	(119,385)	(224,282)
Prepaid expenses and other current assets	(459)	10,582
Increase (decrease) in:		
Accounts payable and accrued expenses	(119,844)	34,147
Accrued pension benefits	(54,300)	104,064
Contract liabilities	(16,500)	(49,137)
Net cash provided by (used in) operating activities	94,060	(18,097)
Cash flows from financing activities:		
Net (payment) proceeds from line of credit	(100,000)	100,000
Agency funds held	-	(2,364)
Net cash (used in) provided by financing activities	(100,000)	97,636
Net (decrease) increase in cash and cash equivalents and restricted cash	(5,940)	79,539
Cash and cash equivalents and restricted cash:		
Beginning of year	451,519	371,980
End of year	$ 445,579	$ 451,519
Supplemental disclosure:		
Non-cash investing and financing activities:		
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ 241,751	$ -

See accompanying notes to financial statements.

UNITED WAY OF NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization and nature of activities:

United Way of North Carolina (the "Organization") was incorporated in 1951 and serves local United Way agencies by providing technical assistance and consultation. Effective January 1, 2018, the Organization consolidated its operations with North Carolina 211, a non-profit entity. The Organization is supported primarily through 211 service fees, contracts, and state appropriations.

Basis of accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Organization's net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Basis of presentation:

Net assets of the Organization and changes therein are classified and reported in accordance with U.S. GAAP which requires the Organization to report information regarding its financial position and activities as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the mission of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors (the "Board"). The use of some net assets without donor restrictions may be further limited by Board designations, including quasi-endowment or other designations.

Net assets with donor restrictions – Net assets that are subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, when donors impose perpetual restrictions on their gifts, this permits the Organization to use all or part of the earnings on related investments for general or specific purposes.

1. Summary of Significant Accounting Policies (continued)

Cash and cash equivalents:

The Organization considers all demand deposits at financial institutions and all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Organization had no cash equivalents as of December 31, 2023 or 2022.

Restricted cash:

Cash held by the Organization to be distributed on behalf of other parties is restricted. As of December 31, 2023 and 2022, the Organization had $41,852 of restricted cash.

Accounts receivable:

The policy of the Organization is to record grant and contract funds as receivables when earned. Receivables are stated at unpaid balances, less an allowance for credit losses. Management estimates the allowance based on historical losses experienced, current conditions, and reasonable and supportable forecasts regarding collectibility. Credit losses for the years ended December 31, 2023 and 2022 were $0 and $32,856, respectively. During the years ended December 31, 2023 and 2022, the allowance for credit losses was $927 and $27,893, respectively.

Property and equipment:

Office furniture and equipment are recorded at cost. Depreciation of office furniture and equipment is provided on a straight-line basis over the estimated useful lives of the assets ranging from three to five years. Leasehold improvements are depreciated on a straight-line basis over the shorter of the useful life or the life of the lease. Maintenance, repairs, and minor equipment purchases are expensed when incurred. It is the Organization's policy to capitalize expenses that are greater than $1,500. No donated assets were received during the years ended December 31, 2023 or 2022.

The Organization reviews its long-lived assets for impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If this review indicates that the asset will not be recoverable, based on the expected cash flows of the related asset, an impairment loss is recognized and the asset's carrying value is reduced. No such impairment losses were recognized during the years ended December 31, 2023 or 2022.

1. Summary of Significant Accounting Policies (continued)

Leases:

The Organization accounts for its leasing arrangements under Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 842, *Leases* ("ASC 842"). The Organization assesses whether an arrangement qualifies as a lease under ASC 842 (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed.

ASC 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for leases. When measuring right-of-use assets and lease liabilities arising from a lease, the Organization includes payments to be made in optional periods and optional payments to purchase the underlying asset if the Organization is reasonably certain to exercise the options.

The Organization made several key accounting policy elections upon adoption of ASC 842 including:

- The Organization will not recognize right-of-use assets and lease liabilities for short-term leases and instead record them in a manner similar to operating leases under ASC 840, *Leases*. A short-term lease is one with a maximum lease term of 12 months or less and does not include a purchase option or renewal option the lessee is reasonably certain to exercise.

- The Organization has lease agreements with lease and non-lease components. An accounting policy election has been made to not separate lease components from non-lease components when allocating contract consideration for all leases. The Organization accounts for the lease and non-lease components as a single lease for these leases.

- The Organization uses the rate implicit in the lease as the discount rate whenever that rate is readily determinable. However, as most of the Organization's leases do not provide an implicit rate, the Organization uses its incremental borrowing rate for similar underlying asset classes based on the information available at the commencement date in determining the present value of lease payments. The Organization made an accounting policy election to use the risk-free rate at the commencement date of the lease as the discount for all leases as the incremental borrowing rate for these classes of underlying assets are not available.

1. Summary of Significant Accounting Policies (continued)

Contract liabilities:

Amounts received in advance of providing services are deferred and recognized as revenue as the related services are performed.

Accrued pension benefits:

The Organization is a participant in a qualified retirement plan which is administered by Mutual of America Life Insurance Company. The plan covers substantially all employees eligible in 2012 and provides for certain benefits. The funded status of the Organization's defined benefit pension plan is recognized on the accompanying statements of financial position. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation at the measurement date. The benefit obligation is the projected benefit obligation, which represents the actuarial present value of benefits expected to be paid upon retirement based on future compensation levels. The fair value of plan assets represents the current market value of cumulative Organization contributions. The Organization's contribution amounts are actuarially determined. During 2012, the Board of the Organization elected to freeze the defined pension plan as of December 31, 2012.

Estimates:

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

Income taxes:

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code ("IRC") and is exempt from federal and state income taxes. Income generated by activities that would be considered unrelated to the Organization's mission would be subject to tax which, if incurred, would be recognized as a current expense. No such tax has been recognized for the years ended December 31, 2023 or 2022.

1. Summary of Significant Accounting Policies (continued)

Support:

In accordance with the *Not-for-Profit* Topic of the FASB ASC, contributions received are recognized as support in the period received at their estimated fair market value less an appropriate allowance for uncollectible amounts. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on the net assets, when the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets.

Revenues for services performed under various federal, state, and local government contracts are recognized as the related expenses are incurred and subsequently invoiced to the appropriate government entity. Unless otherwise required, such revenues are reported as support or revenue without donor restrictions.

Revenue recognition:

In accordance with the FASB Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("Topic 606"), contract revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services.

The Organization's initial estimate of the transaction price for services provided, is determined by reducing the total standard charges related to services provided by various elements of variable consideration, including contractual adjustments, discounts, and other reductions to the Organization's standard charges. The estimates for contractual allowances and discounts are based on contractual agreements, the Organization's discount policies, and historical experience.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to contract revenue in the period of the change. During the years ended December 31, 2023 and 2022, changes to the Organization's estimates of contractual adjustments, discounts, or other reductions to expected payments for performance obligations satisfied in prior years were not significant.

1. Summary of Significant Accounting Policies (continued)

Net contract revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization. Revenues are recognized in the year for which the revenues are earned.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are impacted by agreed upon rates with third parties.

The timing of revenue recognition may differ from the timing of invoicing. Contract assets include unbilled amounts that occur when revenues recognized exceed the amounts invoiced to third parties. Such amounts are recoverable based upon various measures of performance. Contract liabilities arise when amounts invoiced exceed revenues recognized.

Dues:

The Organization collects dues from local United Ways located in North Carolina. These dues are used to assist the operating budget of the Organization. The Organization recognizes the dues revenue when the performance obligation has been reasonably met. The local United Ways pay dues at their own discretion; therefore, the amount actually collected may differ from the amount requested by the Organization. Subsequent changes between the amount actually collected and the amount requested by the Organization were not significant for the years ended December 31, 2023 and 2022.

Service contract revenue:

North Carolina 211 provides call center services to local United Ways. Revenue is recognized as services are rendered based on the agreed upon annual service fee.

Donated materials and services:

Contributions of donated materials and services that create or enhance assets or that require specialized skills, and would typically need to be purchased if not provided through donation, are recorded at their fair value in the period received. No in-kind contributions were recorded during the years ended December 31, 2023 or 2022.

The Organization receives a significant amount of donated services from unpaid volunteers who assist in program activities. No amounts have been recognized in the accompanying statements of activities and changes in net assets due to the criteria for recognition not being satisfied.

1. Summary of Significant Accounting Policies (continued)

Advertising:

The Organization expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place. Advertising expense was $10,118 and $13,304 for the years ended December 31, 2023 and 2022, respectively.

Functional expense allocation:

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited, with time spent towards the program serving as the basis of allocation.

Reclassifications:

Certain amounts in the 2022 financial statements have been reclassified to conform with the 2023 presentation, with no effect on previously reported changes in net assets.

Change in accounting principle:

On June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectibility. Assets must be presented in the financial statements at the net amount expected to be collected. During 2019, the FASB issued additional ASUs amending certain aspects of ASU 2016-13.

On January 1, 2023, the Organization adopted the new accounting standard and all of the related amendments using the modified retrospective method. The modified retrospective transition allows application of the new standard at the adoption date and the recognition of a cumulative-effect adjustment to the opening balance of net assets in the period of adoption with no adjustment to previously reported results. In accordance with this approach, the Organization's financial statements for periods prior to January 1, 2023 were not revised to reflect the new accounting guidance. The adoption did not have a material impact on the Organization's financial statements as of and for the year ended December 31, 2023.

2. Concentrations

Credit risk:

The Organization maintains cash balances at various financial institutions in North Carolina whose accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. As of December 31, 2023 and 2022, the Organization's uninsured cash balances totaled $163,826 and $186,653, respectively.

Funding sources:

The Organization had three funding sources that accounted for approximately 88% of accounts receivable, net as of December 31, 2023. Accounts receivable due from these sources were as follows:

	Accounts Receivable	Percentage of Accounts Receivable
Source A	$ 367,099	44%
Source B	234,108	28%
Source C	132,648	16%
	$ 733,855	88%

Additionally, the Organization had two funding sources that accounted for approximately 49% of total revenue as of December 31, 2023. Revenue from these sources were as follows:

	Revenue	Percentage of Revenue
Source A	$ 1,303,910	36%
Source D	461,239	13%
	$ 1,765,149	49%

2. Concentrations (continued)

The Organization had two funding sources who together accounted for approximately 89% of accounts receivable, net as of December 31, 2022. Accounts receivable due from these sources were as follows:

	Accounts Receivable	Percentage of Accounts Receivable
Source A	$ 206,500	29%
Source B	430,522	60%
	$ 637,022	89%

Additionally, the Organization had two funding sources who accounted for approximately 54% of total revenue as of December 31, 2022. Revenue from these sources were as follows:

	Revenue	Percentage of Revenue
Source A	$ 1,036,463	30%
Source C	818,000	24%
	$ 1,854,463	54%

3. Accounts Receivable, Contract Assets, and Contract Liabilities

Contract balances are included in the accompanying statements of financial position under the following captions at:

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable, net	$ 832,004	$ 712,619	$ 521,193
Contract liabilities	$ -	$ (16,500)	$ (65,637)

During the years ended December 31, 2023 and 2022, $16,500 and $49,137, respectively, of the opening contract liability balance was recognized as revenue. There were no contract assets as of December 31, 2023, 2022, or January 1, 2022.

4. Liquidity and Availability

The Organization held the following financial assets at December 31, 2023 and 2022 that could be readily made available within one year of the statements of financial position dates to meet general expenditures:

	2023	2022
Financial assets at end of year:		
Cash	$ 445,579	$ 451,519
Accounts receivable, net	832,004	712,619
	$ 1,277,583	$ 1,164,138
Less amounts not available to be used within one year:		
Agency funds held	$ (41,852)	$ (41,852)
Financial assets available to meet general expenditures over the next 12 months	$ 1,235,731	$ 1,122,286

5. Property and Equipment

Property and equipment, net consisted of the following as of December 31:

	2023	2022
Leasehold improvements	$ 4,000	$ 4,000
Office furniture	32,756	32,756
Office equipment	261,556	261,556
	298,312	298,312
Less: accumulated depreciation	(294,312)	(294,312)
	$ 4,000	$ 4,000

Depreciation expense was $0 for the years ended December 31, 2023 and 2022.

It is the policy of the Board to review its plans for future acquisitions from time to time and to designate appropriate amounts to assure adequate financing of such acquisitions, with such amounts included in net assets without donor restrictions. There were no Board designations for acquisitions as of December 31, 2023 or 2022.

UNITED WAY OF NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

6. Accrued Pension Benefits

The Organization maintains a defined benefit pension plan as defined under Section 401(k) of the U.S. Internal Revenue Code covering substantially all employees eligible in 2012 and provides for certain benefits. The Organization's contribution amounts are actuarially determined. During 2012, the Board elected to freeze the defined benefit pension plan as of December 31, 2012. There were no employer contributions during the years ended December 31, 2023 or 2022.

The following table sets forth the Organization's funded status as of December 31, 2023:

Projected benefit obligation	$	(803,512)
Fair value of plan assets		681,099
Excess of benefit obligation over plan assets	$	(122,413)
Accumulated benefit obligation	$	803,512
Net transition obligation	$	-
Net periodic pension cost	$	18,936
Employer contributions received by the Plan	$	-
Benefits paid	$	24,140

Components of net periodic benefit pension cost are as follows for the years ended December 31:

		2023		2022
Service cost	$	11,565	$	4,605
Other components of cost:				
Interest		33,731		19,802
Actual return on plan assets		(107,983)		174,154
Asset gain/(loss) deferred		81,623		(216,860)
Total other components		7,371		(22,904)
Net periodic benefit pension cost	$	18,936	$	(18,299)

The net periodic benefit pension cost was determined using the following weighted average assumptions:

	2023	2022
Discount rate on the benefit obligation	4.85%	2.50%
Rate of expected return on plan assets	6.00%	6.00%
Rate of employee compensation increase	0.00%	0.00%

6. Accrued Pension Benefits (continued)

The expected long-term rate of return on plan assets assumption of 6% for 2023 and 2022 was selected using an approach set forth by the Actuarial Standards Board. Based on the Organization's investment allocation for the pension plan in effect as of the beginning of each fiscal year, a best estimate range was determined for both the return (net of inflation and investment expense) and for inflation based on a long-term historical return on the applicable asset classes.

As of December 31, 2023 and 2022, the accumulated benefit obligation was $803,512 and $780,242, respectively. Accumulated benefit obligation represents the actuarial present value of benefits owed for service to date if the employees continue in employment until normal retirement age at current wage rates, but since December 31, 2012, this amount now equals the projected benefit obligation due to the curtailment of the pension plan.

Plan assets are divided into the following categories as of December 31:

	2023		2022	
	Fair Value	Percentage of Plan Assets	Fair Value	Percentage of Plan Assets
Equity	$ 585,325	86.0%	$ 481,949	79.9%
Fixed income	94,956	13.9%	121,580	20.1%
General account	818	0.1%	-	0.0%
	$ 681,099	100%	$ 603,529	100%

The Organization's overall strategy is to invest in high-grade securities and other assets with a minimum risk of market value fluctuation.

The Organization's policy is to fund the plan in amounts consistent with the funding requirements of federal laws and regulations. The following benefit payments are expected to be paid:

Year Ending December 31:	Amount
2024	$ 219,000
2025	17,000
2026	17,000
2027	17,000
2028	38,000
Thereafter	295,000
	$ 603,000

7. Commitments and Contingencies

The Organization receives proceeds from federal, state, local and private foundation grants. Periodic audits of these grants are possible and certain costs may be questioned as not being appropriate under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds are unlikely, and in any event would be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

8. Leasing Arrangements

The Organization leases two suites in an office building. The leases expire November 2026.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Leases	Classification	2023	2022
Assets:			
Operating	Right-of-use assets	$ 235,043	$ 29,702
Liabilities:			
Current			
Operating	Current lease liabilities	$ 75,179	$ 29,426
Noncurrent			
Operating	Long-term lease liabilities	160,295	-
	Total lease liabilities	$ 235,474	$ 29,426

Lease Cost	Classification	2023	2022
Operating	Occupancy	$ 80,605	$ 81,799

Lease Term and Discount Rate:

	2023	2022
Weighted Average Remaining Lease Term (years):		
Operating leases	2.92	0.83
Weighted Average Discount Rate:		
Operating leases	4.14%	0.55%

8. Leasing Arrangements (continued)

Maturities of lease liabilities:

Year Ending December 31:		
2024	$	83,228
2025		85,731
2026		80,759
Less: present value discount		(14,244)
Present value of lease liabilities	$	235,474

During the year ended December 31, 2023 and 2022, the Organization paid $74,132 and $82,076 in cash for operating lease, respectively.

9. Line of Credit

The Organization has a $200,000 line of credit with a bank secured by money market funds. Amounts borrowed on this line of credit accrue interest at a rate of 9.00%. The line matures in April 2025. There was no outstanding balance at December 31, 2023. At December 31, 2022, there was a $100,000 outstanding balance.

10. Subsequent Events

Management has evaluated subsequent events through September 17, 2024, the date which the financial statements were made available to be issued. No significant subsequent events were identified by management, other than those noted below.

The Organization voted to terminate the frozen pension plan described in Note 1 and 6. Mutual of America Life Insurance Company has started the process for termination but a termination date has not been set. Until a termination date is set, the Organization will continue to fund the plan.