

UNITED WAY OF GASTON COUNTY, INC.

FINANCIAL REPORT

June 30, 2020

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McCANNON • ROGERS • DRISCOLL
& ASSOCIATES, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS:

BENJAMIN P. ALBRIGHT, III, CPA
RANDY G. BOYD, CPA

PARTNERS:

STEPHEN B. DRISCOLL, CPA

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
United Way of Gaston County, Inc.
Gastonia, North Carolina

We have audited the accompanying financial statements of United Way of Gaston County, Inc. (a nonprofit organization) (the Organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Gaston County, Inc. as of June 30, 2020, 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.

New Accounting Pronouncements

As discussed in Note A, the Organization has adopted new accounting pronouncements for the year ended June 30, 2020. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited United Way of Gaston County, Inc.'s financial statements as of and for the year ended June 30, 2019, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of agency allocations to be paid are presented for purposes of additional analysis and are not a required part of the basic 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.

McCannon, Rogers, Driscoll & Associates, L.L.P.

Gastonia, North Carolina
October 19, 2020

UNITED WAY OF GASTON COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
Cash and restricted cash	\$ 1,148,999	\$ 1,041,501
Unconditional promises to give, net	466,660	694,150
Other receivables	8,824	10,666
Prepaid expenses	13,894	4,722
Investments	469,101	453,703
Property and equipment, net	<u>294,195</u>	<u>204,533</u>
Total assets	<u>\$ 2,401,673</u>	<u>\$ 2,409,275</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 174	\$ 9,307
Accrued expenses	21,835	24,668
Rental deposits	1,739	1,739
Deferred revenue	2,000	-
Note payable	11,755	-
Agency allocations payable	958,338	838,727
Designations payable	<u>97,271</u>	<u>233,459</u>
Total liabilities	1,093,112	1,107,900
NET ASSETS		
Without Donor Restrictions	1,166,305	1,276,149
With Donor Restrictions	<u>142,256</u>	<u>25,226</u>
Total net assets	1,308,561	1,301,375
Total liabilities and net assets	<u>\$ 2,401,673</u>	<u>\$ 2,409,275</u>

See notes to financial statements.

UNITED WAY OF GASTON COUNTY, INC.

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2020 and 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Revenues and other support				
Campaign contributions	\$ 1,417,896	\$ -	\$ 1,417,896	\$ 1,728,105
Less uncollectible contributions	157,573	-	157,573	132,933
Less designations	171,113	-	171,113	215,665
	<u>1,089,210</u>	<u>-</u>	<u>1,089,210</u>	<u>1,379,507</u>
Investment income, net of expenses of \$2,408	15,397	-	15,397	27,250
Rental income (loss), net of expenses of \$51,025	4,182	-	4,182	(3,038)
Special events, net	-	-	-	16,722
Annual meeting, net of expenses of none	-	-	-	4,839
Other	166,169	-	166,169	158,594
Grants - private	-	453,291	453,291	34,243
Grants - public	22,025	50,000	72,025	91,318
Net assets released from restrictions	<u>386,261</u>	<u>(386,261)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	1,683,244	117,030	1,800,274	1,709,435
Expenses				
Agency allocations	879,635	-	879,635	856,520
Payments to affiliated organizations	<u>21,556</u>	<u>-</u>	<u>21,556</u>	<u>24,713</u>
	901,191	-	901,191	881,233
Program activities				
Campaign	153,876	-	153,876	162,667
Community impact and investment	<u>602,842</u>	<u>-</u>	<u>602,842</u>	<u>428,388</u>
Total program services	756,718	-	756,718	591,055
Supporting services				
Financial management	<u>135,179</u>	<u>-</u>	<u>135,179</u>	<u>151,245</u>
Total expenses	<u>1,793,088</u>	<u>-</u>	<u>1,793,088</u>	<u>1,623,533</u>
Change in net assets	(109,844)	117,030	7,186	85,902
Net assets, beginning of year	<u>1,276,149</u>	<u>25,226</u>	<u>1,301,375</u>	<u>1,215,473</u>
Net assets, end of year	<u><u>\$ 1,166,305</u></u>	<u><u>\$ 142,256</u></u>	<u><u>\$ 1,308,561</u></u>	<u><u>\$ 1,301,375</u></u>

See notes to financial statements.

UNITED WAY OF GASTON COUNTY, INC.

Statements of Functional Expenses
Years Ended June 30, 2020 and 2019

	Program Services			Total 2020	Total 2019
	Campaign	Community Impact and Investment	Financial Management		
Salaries and wages	\$ 73,185	\$ 103,879	\$ 74,923	\$ 251,987	\$ 306,536
Employee benefits	7,924	12,834	9,318	30,076	59,242
Payroll taxes	5,653	8,256	5,801	19,710	24,778
Professional fees	6,163	3,424	4,109	13,695	14,372
Office supplies	3,098	4,380	3,204	10,682	10,685
Equipment repairs	15,375	21,738	15,905	53,018	17,904
Campaign supplies	22,739	-	-	22,739	15,531
Telephone	1,255	1,775	1,299	4,329	6,441
Postage	-	346	346	692	1,035
Occupancy expense	10,770	15,226	11,141	37,137	24,220
Publication and dues	1,103	1,559	1,141	3,803	4,205
Insurance	1,260	1,781	1,303	4,344	4,787
Staff expense	622	995	1,796	3,413	6,212
Success by Six expense	-	2,539	-	2,539	16,100
211 program expenses	-	12,668	-	12,668	9,501
Community impact	-	404,756	-	404,756	198,662
Computer service	1,233	1,743	1,276	4,252	4,307
Miscellaneous	1,232	1,741	1,275	4,248	6,738
Depreciation	2,264	3,201	2,342	7,808	11,044
Total 2020	\$ 153,876	\$ 602,842	\$ 135,179	\$ 891,896	
Total 2019	\$ 162,667	\$ 428,388	\$ 151,245		\$ 742,300

See notes to financial statements.

UNITED WAY OF GASTON COUNTY, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 7,186	\$ 85,902
Adjustments to reconcile change in net assets to net cash from operating activities		
Unrealized gain on investments	(3,131)	(2,795)
Depreciation	20,524	29,111
Amortization	942	
Change in allowance for unconditional promises to give	35,000	16,250
Forgiveness of note payable	(42,445)	
Loss on disposal of property and equipment	7,285	-
(Increase) decrease in assets:		
Unconditional promises to give	192,490	40,706
Other receivables	1,842	36,438
Prepaid expenses	(9,172)	6,533
Increase (decrease) in liabilities:		
Accounts payable	(9,133)	6,596
Accrued expenses	(2,833)	2,810
Deferred revenue	2,000	
Agency allocations payable	119,611	6,391
Designations payable	(136,188)	(17,009)
Net cash provided by operating activities	<u>183,978</u>	<u>210,933</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(12,267)	(24,454)
Purchases of property and equipment	(118,413)	(799)
Net cash used in investing activities	<u>(130,680)</u>	<u>(25,253)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on note payable	<u>54,200</u>	-
Net increase in cash	107,498	185,680
Cash and restricted cash:		
Beginning of year	<u>1,041,501</u>	<u>855,821</u>
End of year	<u>\$ 1,148,999</u>	<u>\$ 1,041,501</u>

See notes to financial statements.

UNITED WAY OF GASTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note A - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

United Way of Gaston County, Inc. (the Organization) is a nonprofit corporation that campaigns for contributions annually and distributes allocations to its nonprofit affiliates for their operations.

A summary of the Organization's significant accounting policies follows:

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statements are presented in accordance with ASC 958-205, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations".

Under these provisions, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified 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 primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time. There are no designated net assets without donor restrictions as of June 30, 2020.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Donor restrictions will be met by actions of the Organization or by the passage of time.

New Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The standard provides guidance on how certain cash receipts and payments are presented and classified in the statements of cash flows. ASU 2016-15 is effective for fiscal years beginning after December 15, 2018, and interim periods within those annual periods, and requires a retrospective approach. The Organization adopted this standard effective July 1, 2019 and the adoption did not have a material effect on the Organization's financial statements for the year ended June 30, 2020.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The standard requires that a statement of cash flows explains the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents (collectively, restricted cash). Therefore, restricted cash should be included with cash when reconciling the beginning of period and end of period total amounts shown on the statements of cash flows. The new guidance is effective for interim and annual periods beginning after December 15, 2018. The Organization adopted this standard effective July 1, 2019.

UNITED WAY OF GASTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

Note A - Nature of Activities and Summary of Significant Accounting Policies – Continued

New Accounting Pronouncements - continued

On June 21, 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2018-08: *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This update was issued to assist in determining whether a transaction is a contribution or exchange and for determining when a contribution is conditional. The Organization adopted this standard effective July 1, 2019 and the adoption did not have a material effect on the Organization's financial statements for the fiscal year ended June 30, 2020.

Comparative Data

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements as of and for the year ended June 30, 2019, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with 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.

Financial Instruments and Risk Considerations

Financial reporting standards require the disclosure of concentration of credit risk regardless of the degree of such risk. Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and unconditional promises to give.

The Organization maintains its operating cash account in one commercial bank located in North Carolina. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Contributions and unconditional promises to give, net, are primarily from residents and businesses in Gaston County, North Carolina. As such, collection of these amounts is dependent on the economy of this region.

UNITED WAY OF GASTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

Note A - Nature of Activities and Summary of Significant Accounting Policies – Continued

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. 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. The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on past experience and management's analysis of the specific promises made.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and wages	Time and effort
Employee benefits	Time and effort
Payroll taxes	Time and effort
Professional fees	Time and effort
Office supplies	Percentage of use
Equipment repairs	Percentage of use
Telephone	Percentage of use
Postage	Percentage of use
Occupancy expense	Percentage of use
Publication and dues	Percentage of use
Insurance	Percentage of use
Staff expense	Percentage of use
Computer service	Percentage of use
Miscellaneous	Percentage of use
Depreciation	Percentage of use

Property and Equipment

Property and equipment are carried at cost. Depreciation is computed by the straight-line method over the estimated useful lives as follows:

Buildings and building improvements	10-39 years
Office furniture and equipment	5-10 years
Signs	7-10 years
Vehicle	5 years

UNITED WAY OF GASTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

Note A - Nature of Activities and Summary of Significant Accounting Policies – Continued

Property and Equipment - continued

Additions are charged to the property accounts while maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed currently. When properties are disposed of, the related costs and accumulated depreciation are removed from the respective accounts, and any profit or loss on disposition is credited or charged to earnings.

Donations of property and equipment are recorded as support at their estimated fair value. 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 stipulations 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. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated Services

The Organization received certain donated services. No amounts have been reflected in the statements for such services because there is no objective basis available to measure the value of such services.

Income Tax Status

The Organization is organized under Section 501(c)(3) of the Internal Revenue Code as a nonprofit, tax-exempt organization. In addition, the State of North Carolina has granted the Organization tax-exempt status.

The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of June 30, 2020. The Organization has years ending June 30, 2017, 2018 and 2019 subject to examination by the Internal Revenue Service.

Investment Valuation and Income Recognition

The Organization's investments consist of mutual funds and a beneficial interest in assets held by others and are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note F for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date.

Beneficial Interest in Assets Held by Others (Endowment Fund)

In accordance with GAAP, the Organization recognizes certain assets held by a recipient organization for the sole benefit of the Organization. These amounts are valued at fair value as reported by the holder of the assets.

UNITED WAY OF GASTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

Note A - Nature of Activities and Summary of Significant Accounting Policies – Continued

Rental Income

The Organization received rental from various lease agreements. Rental income for the year ended June 30, 2020 amounted to \$55,207. Future minimum rentals on non-cancelable operating leases for the fiscal year ending June 30, 2020: \$31,398, June 30, 2021: \$9,600, and June 30, 2022: \$5,600.

Subsequent Events

The Organization has evaluated subsequent events through October 19, 2020, the date the financial statements were available to be issued.

Note B - Unconditional Promises to Give

Unconditional promises to give are shown net of the allowance for uncollectible unconditional promises to give. The allowance was \$150,000 at June 30, 2020. All unconditional promises to give are due by June 30, 2021.

Included under designations payable on the statements of financial position are contributions of \$171,113 at June 30, 2020, that have been designated by the donors for specific agencies.

Note C - Property and Equipment

Property and equipment at June 30, 2020 are composed of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 125,000	\$ -	\$ 125,000
Buildings and building improvements	1,142,118	1,004,116	138,002
Office furniture and equipment	82,640	61,193	21,447
Signs	<u>9,863</u>	<u>117</u>	<u>9,746</u>
	<u>\$ 1,359,621</u>	<u>\$ 1,065,426</u>	<u>\$ 294,195</u>

Depreciation expense was \$20,524 for the year ended June 30, 2020. Of this amount \$13,658 was allocated to rental expense and \$6,866 was allocated to operations.

UNITED WAY OF GASTON COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS – CONTINUED
 June 30, 2020

Note D - Net Assets with Donor Restrictions

Net assets with donor restrictions consist of cash and are available for the following purposes at June 30, 2020.

Duke Energy – utility fund	\$	272
COVID Emergency Fund		<u>141,984</u>
		<u>\$ 142,256</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Program restrictions of \$386,261 were released from restriction during the year ended June 30, 2020.

Note E - Retirement Plan

The Organization has a SIMPLE IRA plan under Section 408(p) of the Internal Revenue Code whereby the Organization will contribute a matching contribution to each eligible employee’s SIMPLE IRA which is the lower of the employee’s actual contributions to the plan or 3% of their annual compensation.

Total retirement expense was \$7,475 for the year ended June 30, 2020.

Note F - Fair Value Measurements

The framework for measuring fair value 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 or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

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

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

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

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

UNITED WAY OF GASTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2020

Note F - Fair Value Measurements – Continued

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodologies used at June 30, 2020 and 2019.

Endowment Fund: The Endowment Fund is valued based on the underlying investments held by the Endowment. It consist of investments valued at quoted market prices, valued based on fund management's estimates based on certain valuation methods such as cash flow analysis and other valuing methods based on income or other relevant information.

Mutual Funds: Valued at the daily closing price as reported by the fund. The mutual funds held by the Organization are actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's fair value measurements at June 30, 2020.

	June 30, 2020			Fair Value
	Level 1	Level 2	Level 3	
Endowment fund	\$ -	\$ -	\$ 212,019	\$ 212,019
Mutual Funds	<u>257,082</u>	-	-	<u>257,082</u>
	<u>\$ 257,082</u>	<u>\$ -</u>	<u>\$ 212,019</u>	<u>\$ 469,101</u>

The following table sets forth a summary of changes in the fair value of the Organization's level 3 assets for the year ended June 30, 2020.

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)
Beginning balance	\$ 210,424
Unrealized losses	(616)
Interest and dividend income	4,619
Investment fees paid	<u>(2,408)</u>
Ending balance	<u>\$ 212,019</u>

UNITED WAY OF GASTON COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2020

Note G - Small Business Administrative Loan and Forgiveness

On April 23, 2020, the Organization received a Payroll Protection Program loan from the Small Business Administration for \$54,200. The Payroll Protection Program was created to assist small businesses and non-profit organizations through negative economic impact of the COVID-19 pandemic. The terms of this loan require that the funds be used for payroll, rent, and utility expenses in order to gain loan forgiveness. If loan proceeds are not used as prescribed, the loan will convert to a traditional 2-year loan with a 1.00% interest rate.

As of June 30, 2020, the Organization has satisfied \$42,445 of amounts required for forgiveness of the loan, which is recorded as other income. The remaining balance of \$11,755 is considered a note payable due to the Small Business Administration at June 30, 2020.

Note H - Commitments and Contingencies

Commitments to allocate funds to United Way agencies and other allocations are dependent on the results of United Way's campaigns. United Way historically provides agencies with an annual anticipated funding commitments in advance and generally funds those commitments on a monthly basis. During the year ended June 30, 2020, six months of allocations were awarded with the expectation that all twelve months will be paid. As such, all twelve months have been recorded in the accompanying financial statements. Such commitments are subject to adjustment based on final campaign results, including subsequent collections.

Note I - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position sheet date, comprise the following at June 30, 2020:

Cash and cash equivalents	\$ 1,006,743
Unconditional promises to give	466,660
Other receivables	8,824
Investments	<u>469,101</u>
	<u>\$ 1,951,328</u>

The Organization generally uses these assets for programs and day-to-day operations.

As part the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations that become due.

SUPPLEMENTARY INFORMATION

UNITED WAY OF GASTON COUNTY, INC.

SCHEDULES OF AGENCY ALLOCATIONS TO BE PAID

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
A.C.P.P., Inc.	\$ 32,200	\$ 32,200
Adult Day Care Center	51,980	51,780
Alliance for Children & Youth	100,000	100,000
American Red Cross	48,000	48,000
The ARC of Gaston County	25,500	25,450
Bessemer City Area Crisis Center	25,093	25,093
Boys & Girls Clubs of Greater Gaston, Inc.	167,105	165,841
Cherryville Area Ministries and Thrift Shop	27,902	27,158
Community Relief Organization of Mt. Holly	20,000	19,700
Dallas/High Shoals Christian Social Ministry	40,000	40,000
Flynn Fellowship Home	18,000	18,000
Gaston County Cancer Society	68,629	67,945
Gaston County Family YMCA	7,800	18,643
Gaston Literacy Council	100,129	99,569
Heart Society of Gaston County	60,000	59,840
Hospice of Gaston County, Inc.	42,170	46,014
Piedmont Boy Scout Council	33,000	33,000
GS Carolinas Peaks to Piedmont Girl Scout Council	40,000	40,000
SOCKS (Serving Our Community with Kindness in Springwood)	22,000	22,000
The Salvation Army	23,000	22,900
The Salvation Army Boys and Girls Clubs	48,000	47,855
	<u>1,000,508</u>	<u>1,010,988</u>
Total agency allocations to be paid		
Less agency designations payable and additional agency payments made	<u>(42,170)</u>	<u>(172,261)</u>
Net agency allocations payable	958,338	838,727
Plus designations payable	<u>97,271</u>	<u>233,459</u>
Total allocations and designations to be paid	<u>\$ 1,055,609</u>	<u>\$ 1,072,186</u>

See notes to financial statements.