

HIGH COUNTRY UNITED WAY, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

VIRGINIA STATON, CPA, PC
BOONE, NC 28607

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JUNE 30, 2022

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Independent Accountant's Review Report

To The Board of Directors
High Country United Way, Inc.
Boone, NC 28607

We have reviewed the accompanying financial statements of High Country United Way, Inc., which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The accompanying schedule of grants and other assistance to organizations on page 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information, and based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and accordingly, do not express an opinion on such information.

Report on Summarized Comparative Information

We have previously audited High Country United Way, Inc.'s 2021 financial statements, and our report dated December 6, 2021, stated that the financial statements present fairly, in all material respects, the financial position of High Country United Way 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. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Virginia Staton CPA PC

Boone, NC
November 30, 2022

HIGH COUNTRY UNITED WAY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2022
With Comparative Totals for 2021

	Assets	
	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and cash equivalents	\$ 501,597	\$ 450,322
Pledges receivable	46,165	39,244
Sales tax refunds receivable	144	180
Prepaid expenses	<u>2,833</u>	<u>2,838</u>
Total current assets	<u>550,739</u>	<u>492,584</u>
Fixed Assets		
Furnishings and equipment	16,157	14,093
Less: accumulated depreciation	<u>(12,855)</u>	<u>(12,395)</u>
Total fixed assets	<u>3,302</u>	<u>1,698</u>
Total Assets	<u>\$ 554,041</u>	<u>\$ 494,282</u>
Liabilities and Net Assets		
Liabilities		
Accrued payroll tax	\$ 1,568	\$ -
Accounts payable	<u>104</u>	<u>100</u>
Total Liabilities	<u>1,672</u>	<u>100</u>
Net Assets		
With donor restrictions	440,618	382,457
Without donor restrictions	<u>111,751</u>	<u>111,725</u>
Total net assets	<u>552,369</u>	<u>494,182</u>
Total Liabilities and Net Assets	<u>\$ 554,041</u>	<u>\$ 494,282</u>

The accompanying notes are an integral part of these financial statements.

**HIGH COUNTRY UNITED WAY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Revenues and Other Support	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Gross Campaign Contributions	\$ (604)	440,618	\$ 440,014
Interest income	443	-	443
Miscellaneous income	197	-	197
Sales tax refunds	144	-	144
Net assets released from restrictions	<u>382,457</u>	<u>(382,457)</u>	<u>-</u>
Total Revenues and Other Support	<u>382,637</u>	<u>58,161</u>	<u>440,798</u>
 Expenses			
Grants and other assistance to organizations	217,545	-	217,545
Other program services	106,158	-	106,158
Fundraising	29,881	-	29,881
Management and general	<u>29,027</u>	<u>-</u>	<u>29,027</u>
Total Expenses	<u>382,611</u>	<u>-</u>	<u>382,611</u>
 Change in Net Assets	 26	 58,161	 58,187
Net Assets - Beginning of Year	<u>111,725</u>	<u>382,457</u>	<u>494,182</u>
Net Assets - End of Year	<u>\$ 111,751</u>	<u>440,618</u>	<u>\$ 552,369</u>

The accompanying notes are an integral part of these financial statements.

**HIGH COUNTRY UNITED WAY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Revenues and Other Support	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Gross Campaign Contributions	\$ (19)	382,476	\$ 382,457
<Less donor designations>	-	(19)	(19)
Interest income	4,545	-	4,545
Miscellaneous income	1,256	-	1,256
Sales tax refunds	180	-	180
Net assets released from restrictions	<u>273,355</u>	<u>(273,355)</u>	<u>-</u>
 Total Revenues and Other Support	 <u>279,317</u>	 <u>109,102</u>	 <u>388,419</u>
 Expenses			
Grants and other assistance to organizations	185,156	-	185,156
<Less donor designations>	(19)	-	(19)
Other program services	68,162	-	68,162
Fundraising	26,666	-	26,666
Management and general	<u>23,846</u>	<u>-</u>	<u>23,846</u>
 Total Expenses	 <u>303,811</u>	 <u>-</u>	 <u>303,811</u>
 Change in Net Assets	 (24,494)	 109,102	 84,608
 Net Assets - Beginning of Year	 <u>136,219</u>	 <u>273,355</u>	 <u>409,574</u>
 Net Assets - End of Year	 <u>\$ 111,725</u>	 <u>382,457</u>	 <u>\$ 494,182</u>

The accompanying notes are an integral part of these financial statements.

HIGH COUNTRY UNITED WAY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
With Comparative Totals for 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ 58,187	\$ 84,608
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	460	181
Increase in pledges receivable	(6,921)	(25,744)
Increase in accounts payable	4	11
(Increase) decrease in prepaid expenses	5	(169)
(Increase) decrease in sales tax refunds receivable	36	(126)
Increase in accrued payroll tax	1,568	-
Net cash provided by operating activities	53,339	58,761
Cash Flows from Investing Activities		
Purchases of equipment	(2,064)	(1,238)
Net increase in cash	51,275	57,523
Cash and Cash Equivalents, beginning of year	450,322	392,799
Cash and Cash Equivalents, end of year	\$ 501,597	\$ 450,322

The accompanying notes are an integral part of these financial statements.

HIGH COUNTRY UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Grants and Other Assistance	\$ 217,545	-	-	\$ 217,545
Advertising	17	7	13	37
Compensation	50,456	16,819	16,818	84,093
Payroll taxes	3,882	1,294	1,294	6,470
Accounting fees	-	5,345	-	5,345
Licenses	9,354	-	942	10,296
Office expense	1,005	447	782	2,234
Telephone and internet expense	703	312	547	1,562
Postage	196	87	152	435
2-1-1 expense	19	-	-	19
Equipment expense	2,155	958	1,675	4,788
Board expense	156	69	122	347
Meals and refreshments	69	31	53	153
Depreciation	207	92	161	460
Uncollectible accounts	16,917	-	-	16,917
Insurance	1,673	744	1,301	3,718
Bank charges	98	44	76	218
Campaign expense	1,082	-	1,081	2,163
Training expense	332	147	258	737
Program support	11,916	-	-	11,916
Travel	185	82	145	412
Rent expense	5,736	2,549	4,461	12,746
Total Functional Expenses	\$ 323,703	29,027	29,881	\$ 382,611

The accompanying notes are an integral part of these financial statements.

HIGH COUNTRY UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Grants and Other Assistance	\$ 185,137	-	-	\$ 185,137
Advertising	398	177	309	884
Compensation	42,118	14,039	14,039	70,196
Payroll taxes	2,421	1,075	1,883	5,379
Accounting fees	-	3,500	-	3,500
Licenses	5,565	-	538	6,103
Office expense	740	329	576	1,645
Telephone	422	188	328	938
Postage	97	43	75	215
2-1-1 expense	2,117	-	-	2,117
Equipment expense	1,702	756	1,324	3,782
Board expense	127	57	99	283
Depreciation	81	37	63	181
Insurance	1,670	742	1,299	3,711
Bank charges	180	80	140	400
Campaign expense	1,052	-	1,052	2,104
Training expense	8	4	6	18
Internet expense	1,009	448	785	2,242
Program support	3,120	-	-	3,120
Rent expense	5,335	2,371	4,150	11,856
Total Functional Expenses	\$ 253,299	23,846	26,666	\$ 303,811

The accompanying notes are an integral part of these financial statements.

HIGH COUNTRY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

Note 1 - Organization:

High Country United Way, Inc. is a nonprofit organization incorporated under the laws of North Carolina and is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code. The Organization is a community-based resource organization that develops human and financial resources to improve the quality of life in the High Country.

Note 2 - Summary of Significant Accounting Policies:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

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

Pledges Receivable

Contributions are recognized when the donor makes a pledge to give to the Organization; that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions 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.

Pledges receivable are primarily from individuals and businesses located in Avery and Watauga Counties, North Carolina, and are classified as current.

Accounting Pronouncements Adopted

Effective in the year ended June 30, 2019, the Organization retrospectively adopted Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed

HIGH COUNTRY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

Note 2 - Summary of Significant Accounting Policies (continued):

in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirement that not-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method).

The adoption of ASU No. 2016-14 effective as of July 1, 2017 resulted in the reclassification of certain accounts in the June 30, 2018 financial statements to conform with the required financial statement presentation.

Fixed Assets

Fixed assets consist of equipment recorded at cost. Depreciation is computed over the estimated useful lives of the equipment using the straight-line method.

Concentration of Credit Risk

The Organization maintains its cash balances in four financial institutions located in North Carolina. The balances were insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. There were no uninsured balances as of June 30, 2021.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through the date that the financial statements were available to be issued.

HIGH COUNTRY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

Note 2 - Summary of Significant Accounting Policies (continued):

Uncertain Tax Positions

Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties and interest as a result of such challenge. Generally, the Organization's tax returns remain open for three years for federal income tax examination.

Functional Allocation of Expenses

The statement of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. A portion of general and administrative costs that benefit multiple functional areas have been allocated, based on estimates developed by management, between the program and supporting activities.

Note 3 - Unconditional Promises to Give:

Unconditional promises to give are reported as pledges receivable and are reported with no allowance for uncollectible accounts. Because of the inherent uncertainties in estimating the allowance for uncollectible promises to give, it is at least reasonably possible that the estimate will change within the near term.

Note 4 - Net Assets With Donor Restrictions:

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

The Organization conducts an annual fund-raising campaign to allow it to continue funding the numerous program and services it supports in the community. Pledges receivable for the campaign conducted during the current year represent time-restricted contributions and have been reflected in the accompanying 2022 statement of financial position as net assets with donor restrictions. When the stipulated time restriction ends during the next fiscal year, the net assets are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

HIGH COUNTRY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

Note 5 - Donated Services and Facilities:

The Organization receives a significant amount of donated services from unpaid volunteers who assist in projects and activities. No amounts have been reflected in the financial statements for those activities since they do not meet the criteria for recognition under professional standards.

Note 6 - Equipment:

Equipment at June 30, 2022 consists of the following:

Computer and office equipment and furniture	\$ 16,157
Less accumulated depreciation	<u>(12,855)</u>
Equipment, net	\$ <u>3,302</u>

Note 7 - Leases:

The Organization leased a copier on a month-to-month basis with monthly payments of \$86, plus applicable taxes. The lease was renewed effective May, 2019 for sixty months, with monthly payments of \$101, plus applicable taxes. Payments under this lease was \$1,515 for the year ended June 30, 2022.

The Organization entered into a lease for new office facilities effective October 1, 2011. The lease was modified effective December 5, 2014, to reflect the following terms: the lease is for five years at a rate of \$722 per month for years one-five, ending September 30, 2017. An additional charge of \$150 per month will apply to all years for insurance, taxes, and common area maintenance. The lease was renewed effective October 1, 2018, at a rate of \$817 per month, plus the \$150 per month, with the increased rate effective October 1, 2018. The lease was renewed effective October 1, 2019, at a rate of \$838 per month, plus the \$150 per month, with the increase rate effective October 1, 2019. The lease is renewed through September, 2021. The lease was renewed effective October 1, 2021 for five years at a rate of \$858 per month, plus the \$150 per month, to increase by \$21 per month, per year, for each of the following 4 years.

HIGH COUNTRY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

Note 7 - Leases (continued):

Future minimum lease payments under the two leases are as follows:

June 30, 2023	\$ 13,497
2024	13,547
2025	12,789
2026	13,041
2027	<u>3,276</u>
	\$ <u>56,150</u>

HIGH COUNTRY UNITED WAY, INC.
SCHEDULE OF GRANTS AND OTHER ASSISTANCE TO ORGANIZATIONS
Year Ended June 30, 2022

F.A.R.M. CAFE	\$ 6,000
FOSTER GRANDPARENTS	6,000
PARENT TO PARENT	8,000
AVERY HABITAT FOR HUMANITY	7,500
COMMUNITY CARE CLINIC	22,093
THE CHILDREN'S COUNCIL	6,500
HOSPITALITY HOUSE	22,353
HUNGER AND HEALTH COALITION	17,044
KARI'S HOME FOR WOMEN	33
MEDIATION & RESTORATIVE JUSTICE	5,013
MITCHELL COUNTY SHEPHERD'S STAFF	4,000
MOUNTAIN ALLIANCE	20,000
OASIS, INC	28,354
SENIOR COMPANIONS	10,000
SOUTHMOUNTAIN CHILDREN & FAMILY SERVICES	800
WATAUGA HABITAT FOR HUMANITY	8,360
WAMY COMMUNITY ACTION	17,218
WESTERN YOUTH NETWORK	13,277
BLUE RIDGE OPPORTUNITY COMMISSION	<u>15,000</u>
TOTAL	\$ <u>217,545</u>

