



United Way of Asheville  
and Buncombe County

**UNITED WAY OF ASHEVILLE  
AND BUNCOMBE COUNTY, INC.**

Asheville, North Carolina

Financial Statements and  
Supplementary Information

Years Ended June 30, 2019 and 2018

**UNITED WAY OF ASHEVILLE AND BUNCOMBE COUNTY, INC.**

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**UNITED WAY OF ASHEVILLE AND BUNCOMBE COUNTY, INC.**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
United Way of Asheville and Buncombe County, Inc.

We have audited the accompanying financial statements of United Way of Asheville and Buncombe County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 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.

To the Board of Directors  
United Way of Asheville and Buncombe County, Inc.  
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## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Asheville and Buncombe County, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of grants to partner organizations and schedule of building expenses are presented for purposes of additional analysis and are not required parts of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*CARTER, P.C.*

Asheville, North Carolina  
November 20, 2019

**UNITED WAY OF ASHEVILLE AND BUNCOMBE COUNTY, INC.**

Statements of Financial Position  
June 30, 2019 and 2018

	2019	2018
<b>Assets</b>		
Current assets:		
Cash and equivalents:		
Unrestricted	\$ 210,229	\$ 239,762
Restricted	23,912	
Grants receivable	25,000	47,001
Promises to give, current portion	1,861,470	1,819,160
Other receivables	37,635	69,611
Prepaid expenses	28,103	62,906
Total current assets	2,186,349	2,238,440
Promises to give, net of current portion	29,000	161,000
Investments	1,293,943	1,290,798
Other investment	22,751	
Beneficial interest in an endowment fund	2,042,515	2,062,828
Property and equipment	1,813,392	1,864,916
Total assets	\$ 7,387,950	\$ 7,617,982
<b>Liabilities and net assets</b>		
Current liabilities:		
Line of credit	\$ 196,651	\$ 443,800
Accounts payable and accrued liabilities	278,088	181,318
Security deposits	3,067	1,073
Grants payable	1,260,063	1,503,395
Custodial account		3,674
Total current liabilities	1,737,869	2,133,260
Net assets:		
Without donor restrictions	4,444,573	4,688,743
With donor restrictions	1,205,508	795,979
Total net assets	5,650,081	5,484,722
Total liabilities and net assets	\$ 7,387,950	\$ 7,617,982

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

**UNITED WAY OF ASHEVILLE AND BUNCOMBE COUNTY, INC.**

Statement of Activities  
Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and other support</b>			
Campaign contributions	\$	\$ 4,059,697	\$ 4,059,697
Less, designations received and paid		(405,779)	(405,779)
Building rents, net of expenses	67,309		67,309
Grants		195,033	195,033
Contracts	300,103		300,103
Sponsorships		59,635	59,635
Other contributions		386,713	386,713
Investment income, net	23,226		23,226
In-kind contributions		87,210	87,210
Miscellaneous income	5,584		5,584
Net assets released from restrictions	<u>3,972,980</u>	<u>(3,972,980)</u>	
Total revenues and other support	<u>4,369,202</u>	<u>409,529</u>	<u>4,778,731</u>
<b>Expenses</b>			
Program services	3,331,626		3,331,626
Supporting services	<u>1,330,685</u>		<u>1,330,685</u>
Total expenses	<u>4,662,311</u>		<u>4,662,311</u>
Increase (decrease) in net assets before other gains (losses)	<u>(293,109)</u>	<u>409,529</u>	<u>116,420</u>
<b>Other gains (losses)</b>			
Net gains on investments	2,054		2,054
Net gains on other investment	7,420		7,420
Net gains on beneficial interest in an endowment fund	41,146		41,146
Loss on disposal of property and equipment	<u>(1,681)</u>		<u>(1,681)</u>
Total other gains (losses)	<u>48,939</u>		<u>48,939</u>
Increase (decrease) in net assets	(244,170)	409,529	165,359
Net assets at beginning of year	<u>4,688,743</u>	<u>795,979</u>	<u>5,484,722</u>
Net assets at end of year	<u>\$ 4,444,573</u>	<u>\$ 1,205,508</u>	<u>\$ 5,650,081</u>

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

**UNITED WAY OF ASHEVILLE AND BUNCOMBE COUNTY, INC.**

Statement of Activities  
Year Ended June 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and other support</b>			
Campaign contributions	\$	\$ 4,574,428	\$ 4,574,428
Less, designations received and paid		(432,716)	(432,716)
Building rents, net	30,533		30,533
Grants		144,392	144,392
Contracts	281,881		281,881
Sponsorships		44,500	44,500
Other contributions	567,320		567,320
Investment income, net	21,562		21,562
In-kind contributions		282,006	282,006
Miscellaneous income	57,102		57,102
Net assets released from restrictions	<u>4,374,096</u>	<u>(4,374,096)</u>	
Total revenues and other support	<u>5,332,494</u>	<u>238,514</u>	<u>5,571,008</u>
<b>Expenses</b>			
Program services	3,460,790		3,460,790
Supporting services	<u>1,278,070</u>		<u>1,278,070</u>
Total expenses	<u>4,738,860</u>		<u>4,738,860</u>
Increase in net assets before other gains	<u>593,634</u>	<u>238,514</u>	<u>832,148</u>
<b>Other gains</b>			
Net gains on investments	56,172		56,172
Net gains on beneficial interest in an endowment fund	<u>89,239</u>		<u>89,239</u>
Total other gains	<u>145,411</u>		<u>145,411</u>
Increase in net assets	739,045	238,514	977,559
Net assets at beginning of year	<u>3,949,698</u>	<u>557,465</u>	<u>4,507,163</u>
Net assets at end of year	<u>\$ 4,688,743</u>	<u>\$ 795,979</u>	<u>\$ 5,484,722</u>

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



**UNITED WAY OF ASHEVILLE AND BUNCOMBE COUNTY, INC.**

Statement of Functional Expenses  
Year Ended June 30, 2019

	Program Services				
	2-1-1 Call Center	Hands On	Community Partnerships	Communi- cations & Marketing	Community Schools
Salaries	\$ 361,803	\$ 106,791	\$ 123,882	\$ 159,095	\$ 357,910
Employee benefits	59,107	29,100	26,436	36,259	88,021
Payroll taxes	<u>27,875</u>	<u>7,568</u>	<u>8,661</u>	<u>12,061</u>	<u>25,897</u>
Total salaries and benefits	448,785	143,459	158,979	207,415	471,828
Grants and contracts			1,260,063		122,031
Supplies	2,443	94,258	5,234	3,843	3,756
Homework diners					87,239
Maintenance	11,659	2,851	2,487	3,461	5,767
Computer support	4,652	5,701	5,849	5,855	15,290
Printing	991	343	259	18,732	1,027
Postage	1,387	442	313	428	1,000
Telephone	13,524	301	276	75	690
Training	7,310	6,092	1,367	1,095	9,450
Travel and conferences	6,229	1,759	1,433	1,071	9,290
Memberships and dues	14,795	4,117	20,017	5,595	12,273
Advertising				23,840	
Professional fees	11,439	2,147	2,099	1,517	4,508
Insurance	1,847	770	502	766	1,415
Bad debt					
Miscellaneous	<u>5,559</u>	<u>3,147</u>	<u>1,533</u>	<u>2,482</u>	<u>5,152</u>
Total expenses before interest and depreciation	530,620	265,387	1,460,411	276,175	750,716
Interest	4,123	1,077	1,078	1,476	3,420
Depreciation	<u>13,536</u>	<u>3,881</u>	<u>3,881</u>	<u>6,765</u>	<u>9,080</u>
Total expenses	<u>\$ 548,279</u>	<u>\$ 270,345</u>	<u>\$ 1,465,370</u>	<u>\$ 284,416</u>	<u>\$ 763,216</u>

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

**UNITED WAY OF ASHEVILLE AND BUNCOMBE COUNTY, INC.**

Statement of Functional Expenses (continued)  
Year Ended June 30, 2019

	Total Program Services	Supporting Services			Total Supporting Services	Total
		Management & General	Fundraising			
Salaries	\$ 1,109,481	\$ 219,628	\$ 428,252	\$ 647,880	\$ 1,757,361	
Employee benefits	238,923	60,729	82,496	143,225	382,148	
Payroll taxes	<u>82,062</u>	<u>16,564</u>	<u>32,023</u>	<u>48,587</u>	<u>130,649</u>	
Total salaries and benefits	1,430,466	296,921	542,771	839,692	2,270,158	
Grants and contracts	1,382,094				1,382,094	
Supplies	109,534	2,071	5,810	7,881	117,415	
Homework diners	87,239				87,239	
Maintenance	26,225	6,721	7,854	14,575	40,800	
Computer support	37,347	10,933	18,501	29,434	66,781	
Printing	21,352	629	619	1,248	22,600	
Postage	3,570	1,700	2,168	3,868	7,438	
Telephone	14,866	1,443	1,135	2,578	17,444	
Training	25,314	3,667	4,997	8,664	33,978	
Travel and conferences	19,782	1,881	43,178	45,059	64,841	
Memberships and dues	56,797	9,131	13,001	22,132	78,929	
Advertising	23,840				23,840	
Professional fees	21,710	8,956	12,563	21,519	43,229	
Insurance	5,300	1,853	1,291	3,144	8,444	
Bad debt			291,324	291,324	291,324	
Miscellaneous	<u>17,873</u>	<u>8,096</u>	<u>6,527</u>	<u>14,623</u>	<u>32,496</u>	
Total expenses before interest and depreciation	3,283,309	354,002	951,739	1,305,741	4,589,050	
Interest	11,174	2,412	2,577	4,989	16,163	
Depreciation	<u>37,143</u>	<u>8,993</u>	<u>10,962</u>	<u>19,955</u>	<u>57,098</u>	
Total expenses	<u>\$ 3,331,626</u>	<u>\$ 365,407</u>	<u>\$ 965,278</u>	<u>\$ 1,330,685</u>	<u>\$ 4,662,311</u>	

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

**UNITED WAY OF ASHEVILLE AND BUNCOMBE COUNTY, INC.**

Statement of Functional Expenses  
Year Ended June 30, 2018

	Program Services				
	2-1-1 Call Center	Hands On	Community Partnerships	Communi- cations & Marketing	Community Schools
Salaries	\$ 355,294	\$ 103,571	\$ 129,250	\$ 106,231	\$ 285,325
Employee benefits	66,027	29,609	13,725	19,443	60,181
Payroll taxes	<u>25,985</u>	<u>7,239</u>	<u>9,530</u>	<u>7,541</u>	<u>19,453</u>
Total salaries and benefits	447,306	140,419	152,505	133,215	364,959
Grants and contracts			1,503,395		27,759
Supplies	1,513	98,029	277	10,172	2,751
Homework diners					91,108
Maintenance	13,242	1,516	1,503	1,823	3,012
Computer support	8,606	6,376	6,595	6,672	16,271
Printing	183	60	142	24,108	717
Postage	939	372	611	198	148
Telephone	9,999	436	785	218	681
Training	2,146	2,546	1,476	1,447	21,562
Travel and conferences	6,035	2,584	1,408	1,033	10,516
Memberships and dues	13,574	4,936	17,777	4,009	9,622
Advertising				213,337	
Professional fees	12,162	2,619	1,624	2,170	5,825
Insurance	1,409	666	288	385	999
Bad debt					
Miscellaneous	<u>612</u>	<u>222</u>		<u>827</u>	<u>1,615</u>
Total expenses before interest and depreciation	517,726	260,781	1,688,386	399,614	557,545
Interest	1,936	639	396	529	1,373
Depreciation	<u>12,653</u>	<u>4,180</u>	<u>2,596</u>	<u>3,465</u>	<u>8,971</u>
Total expenses	<u>\$ 532,315</u>	<u>\$ 265,600</u>	<u>\$ 1,691,378</u>	<u>\$ 403,608</u>	<u>\$ 567,889</u>

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

**UNITED WAY OF ASHEVILLE AND BUNCOMBE COUNTY, INC.**

Statement of Functional Expenses (continued)  
Year Ended June 30, 2018

	Total Program Services	Supporting Services			Total Supporting Services	Total
		Management & General	Fundraising			
Salaries	\$ 979,671	\$ 256,898	\$ 409,224	\$ 666,122	\$ 1,645,793	
Employee benefits	188,985	65,424	75,157	140,581	329,566	
Payroll taxes	<u>69,748</u>	<u>17,671</u>	<u>28,363</u>	<u>46,034</u>	<u>115,782</u>	
Total salaries and benefits	1,238,404	339,993	512,744	852,737	2,091,141	
Grants and contracts	1,531,154				1,531,154	
Supplies	112,742	1,789	4,192	5,981	118,723	
Homework diners	91,108				91,108	
Maintenance	21,096	4,745	5,415	10,160	31,256	
Computer support	44,520	13,377	34,929	48,306	92,826	
Printing	25,210	183		183	25,393	
Postage	2,268	790	5,417	6,207	8,475	
Telephone	12,119	900	1,099	1,999	14,118	
Training	29,177	1,792	8,573	10,365	39,542	
Travel and conferences	21,576	2,468	45,009	47,477	69,053	
Memberships and dues	49,918	10,448	17,476	27,924	77,842	
Advertising	213,337				213,337	
Professional fees	24,400	6,421	9,124	15,545	39,945	
Insurance	3,747	1,085	1,619	2,704	6,451	
Bad debt			208,860	208,860	208,860	
Miscellaneous	<u>3,276</u>	<u>3,034</u>	<u>8,595</u>	<u>11,629</u>	<u>14,905</u>	
Total expenses before interest and depreciation	3,424,052	387,025	863,052	1,250,077	4,674,129	
Interest	4,873	1,490	2,225	3,715	8,588	
Depreciation	<u>31,865</u>	<u>9,741</u>	<u>14,537</u>	<u>24,278</u>	<u>56,143</u>	
Total expenses	<u>\$ 3,460,790</u>	<u>\$ 398,256</u>	<u>\$ 879,814</u>	<u>\$ 1,278,070</u>	<u>\$ 4,738,860</u>	

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

**UNITED WAY OF ASHEVILLE AND BUNCOMBE COUNTY, INC.**

Statements of Cash Flows  
Years Ended June 30, 2019 and 2018

	2019	2018
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 165,359	\$ 977,559
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	95,164	93,572
Bad debt expense	291,324	208,860
Receipt of donated stock	(193,066)	(213,458)
Net gains on investments	(2,054)	(56,172)
Net gains on other investment	(7,420)	
Net gains on beneficial interest in an endowment fund	(41,146)	(89,239)
Receipt of donated property and equipment	(7,967)	
Loss on disposal of property and equipment	1,681	
Changes in working capital - sources (uses):		
Grants receivable	22,001	2,999
Promises to give	(201,634)	(576,803)
Other receivables	31,976	40,581
Prepaid expenses	34,803	(7,804)
Accounts payable and accrued liabilities	96,770	(2,487)
Security deposits	1,994	(296)
Grants payable	(243,332)	(283,114)
Custodial account	(3,674)	(120,597)
Net cash provided (used) by operating activities	40,779	(26,399)
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	3,805,281	2,283,206
Distribution from beneficial interest in an endowment fund	64,400	64,070
Purchase of investments	(3,613,306)	(2,032,389)
Purchase of other investment	(15,331)	
Contributions to beneficial interest in endowment fund		(567,320)
Change in beneficial interest in an endowment fund	(2,941)	(2,101)
Purchase of property and equipment	(37,354)	(24,286)
Net cash provided (used) by investing activities	200,749	(278,820)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings on line of credit	3,022,447	2,633,413
Principal repayments on line of credit	(3,269,596)	(2,189,782)
Net cash provided (used) by financing activities	(247,149)	443,631
Net increase (decrease) in cash and equivalents	(5,621)	138,412
Cash and equivalents at beginning of year	239,762	101,350
Cash and equivalents at end of year	\$ 234,141	\$ 239,762
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for interest	\$ 16,632	\$ 8,901

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

# UNITED WAY OF ASHEVILLE AND BUNCOMBE COUNTY, INC.

Notes to Financial Statements

June 30, 2019 and 2018

## **Note 1 - Summary of Significant Accounting Policies**

### Organization

"Unite People. Improve Lives. Strengthen Community." United Way of Asheville and Buncombe County, Inc. (Organization) is a nonprofit entity committed to reducing the impact that poverty has on the lives of students, families and communities. The Organization is dedicated to creating a strong, caring community where our neighbors are educated, financially stable and healthy. This is achieved through the Organization's key strategies:

- *2-1-1 Call Center:* NC 2-1-1 is a free and confidential information and referral line for people in need of health and human services. The Organization operates the 2-1-1 call center that serves the sixteen counties in Western North Carolina and provides statewide support during natural disasters and other crises.
- *Hands-On Asheville Buncombe:* The Organization's volunteer center mobilizes more than 3,000 people every year to tackle projects of every shape and size and connects people to volunteer opportunities that fit their interests, skills and availability through the Organization and other nonprofit and public service organizations.
- *Community Partnerships:* Using input from volunteers and subject-matter experts, the Organization invests in high-quality programs that improve the education, financial stability and health of the community through competitive grants to 32 nonprofit agencies.
- *Community Schools:* Students and families living in poverty face significant barriers to educational success and a healthy life. The Organization serves as a backbone organization to a coalition of more than 50 organizations that are changing how we build support for students, families and communities.

### Income Tax Status

The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under section 509(a)(2). The Organization has also been classified as a publicly-supported charitable organization and is exempt from state taxes under North Carolina General Statute 105-130.11(a).

## **Note 1 - Summary of Significant Accounting Policies (continued)**

### **Basis of Presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- *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. These net assets may be used at the discretion of the Organization's management and Board of Directors.
- *Net assets with donor restrictions:* Net assets subject to donor-imposed time or purpose restrictions. These restrictions limit the spending options when using these resources because the Organization has a fiduciary responsibility to follow the donors' instructions. Net assets with donor restrictions generally result from donor-restricted contributions and investment income generated by donor-restricted endowment funds. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization, or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Support is recorded as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets (that is, the donor-stipulated purpose has been fulfilled and/or time period has elapsed) are reported as net assets released from restrictions.

### **Measure of Operations**

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing program services. Non-operating activities are gains and losses related to investments, other investment, beneficial interest in an endowment fund, and disposal of property and equipment. These activities are considered to be more unusual or nonrecurring in nature.

### **Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

## **Note 1 - Summary of Significant Accounting Policies (continued)**

### **Fair Value of Financial Instruments**

The carrying value of substantially all reported assets and liabilities, other than promises to give, investments, other investment, beneficial interest in an endowment fund, and line of credit, approximates fair value due to the relatively short-term nature of the financial instruments.

Amounts recognized for promises to give approximates fair value due to the allowance for uncollectible promises to give applied to outstanding balances.

Fair value of investments, other investment, and beneficial interest in an endowment fund are discussed in Note 7.

The carrying value of the line of credit approximates fair value due to market interest rates at the time of borrowing.

### **Cash and Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, except those amounts designated and classified as investments. Restricted cash consists of cash held for health insurance claims.

### **Promises to Give**

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are expected to be received. Management provides for probable uncollectible amounts through a provision for uncollectible promises to give based on prior collection history.

### **Investments**

Investments are recorded at fair market value. Both unrealized gains and losses from the fluctuation of market value and realized gains and losses from the sale of investments are reflected in the statements of activities.

### **Investment Income and Gains**

Investment income and gains are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.



## **Note 1 - Summary of Significant Accounting Policies (continued)**

### **Fair Value Measurements and Disclosures**

The Organization applies U.S. GAAP authoritative guidance for fair value measurements and disclosures, which defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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.

If the asset or liability has a 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.

Assets and liabilities within the hierarchy are based on the lowest (or least observable) input that is significant to the measurement. The Organization's assessment of the significance of an input requires judgment, which may affect the valuation and classification within the fair value hierarchy.

### **Property and Equipment**

Additions to property and equipment, if purchased, are recorded at cost. Major renewals and replacements are capitalized as incurred. Expenditures for repairs and maintenance that do not improve or extend the life of the asset are expensed as incurred. The Organization has adopted an accounting practice to capitalize all property and equipment with a cost greater than \$1,000 and an estimated useful life extending beyond one year.

Depreciation is computed using the straight-line method over the estimated useful life of each class of depreciable asset as follows:

Building and improvements	3 - 39 years
Furniture and equipment	3 - 10 years
Vehicles	3 years

## **Note 1 - Summary of Significant Accounting Policies (continued)**

### Donated Property and Equipment

Donations of property and equipment are recorded as contributions at the estimated fair value at the date of the gift. The Organization reports gifts of property and equipment as contributions without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are recorded as net assets with donor restrictions until such assets are acquired or placed in service.

### Grants Payable

Grants payable include grants that have been authorized by the Board of Directors but are unpaid at fiscal year-end. Grants payable will be paid in the subsequent year.

### Designations Received and Paid

Certain campaign contributions made to the Organization are designated by the donors to be paid out to other agencies. These contributions are recognized as both campaign contributions and designations received and paid on the accompanying statements of activities. Designations received and paid are recorded net of collection fees earned. The balance of unpaid promises to give designated to agencies remains as a liability until the pledge is collected and paid out. The liability for unpaid designations to agencies is recorded as a reduction of promises to give in the statements of financial position.

### Donated Assets

Donated marketable securities are recorded as contributions at their estimated fair value at the date of donation.

Donated materials and equipment are reflected as in-kind contributions at their estimated fair value at the date of donation. For the years ended June 30, 2019 and 2018, the Organization received \$69,163 and \$80,898, respectively, of supply donations. In addition, in-kind contributions for the year ended June 30, 2019, include \$7,967 for the receipt of donated equipment.

### Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization received \$10,080 and \$201,108 in donated advertising services during the years ended June 30, 2019 and 2018, respectively. Volunteers also provided a variety of tasks that assist the Organization with specific objectives throughout the fiscal year that are not recognized as contributions in the financial statements since the recognition criteria were not met. The Organization received approximately 8,520 and 9,800 volunteer hours during the years ended June 30, 2019 and 2018, respectively.

## **Note 1 - Summary of Significant Accounting Policies (continued)**

### Functional Allocation of Expenses

The cost of providing program and supporting services activities have been summarized on a functional basis in the statements of activities and functional expenses. Certain categories of expenses are attributable to programs and support. All expenses except for grants and contracts, advertising, and bad debt are allocated on based on estimates of time and effort. Grants and contracts and advertising are directly related to program services. Bad debt is directly related to fundraising which is a supporting service.

### Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2019 and 2018, was \$23,840 and \$213,337, respectively.

### Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

### New Accounting Pronouncement

During the year ended June 30, 2019, the Organization adopted the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and lack of consistency in the type and information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily and permanently restricted net assets are now combined and reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 3).

The accompanying information from the 2018 financial statements has been restated to conform to the 2019 presentation and disclosure requirements of ASU 2016-14.

### Recently Issued Accounting Pronouncements

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities* (ASU 2016-01). ASU 2016-01 changes certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The standard is effective for annual financial statements issued for years beginning after December 15, 2018. The Organization is in the process of evaluating the effect this guidance will have on its financial statements and related disclosures.

## **Note 1 - Summary of Significant Accounting Policies (continued)**

### **Recently Issued Accounting Pronouncements (continued)**

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (ASU 2016-02). ASU 2016-02 is intended to improve financial reporting about leasing transactions. The ASU will require lessees to recognize a lease liability and right-of-use asset for most leases, including operating leases. The standard will be effective for fiscal years beginning after December 15, 2020. Early adoption is permitted. The Organization is in the process of evaluating the effect this guidance will have on its financial statements and related disclosures.

In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, (ASU 2016-18). ASU 2016-18 is intended to clarify the classification and presentation of restricted cash and cash equivalents in the statements of cash flows. The ASU will require amounts generally described as restricted cash to be included with cash and equivalents on the statement of cash flows. The standard is effective for financial statements issued for years beginning after December 15, 2018. This guidance will not impact the presentation of the statement of cash flows.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 is intended to clarify and improve the guidance about the distinction between contributions and exchange transactions and determine whether a contribution is conditional. This ASU will be effective for annual periods beginning after December 15, 2018. The Organization is in the process of evaluating the effect this guidance will have on its financial statements and related disclosures.

## **Note 2 - Net Assets**

Net assets are described as follows:

<u>At June 30</u>	<u>2019</u>	<u>2018</u>
Net assets without donor restrictions:		
Undesignated	\$ 1,400,280	\$ 1,533,029
Investment in property and equipment	1,813,392	1,864,916
Board designated:		
Operating reserve	685,087	696,330
Building reserve	366,653	400,964
2-1-1 reserve	<u>179,161</u>	<u>193,504</u>
Total board designated	<u>1,230,901</u>	<u>1,290,798</u>
Net assets without donor restrictions	<u>4,444,573</u>	<u>4,688,743</u>

**Note 2 - Net Assets (continued)**

<u>At June 30</u>	<u>2019</u>	<u>2018</u>
Net assets with donor restrictions:		
Subject to expenditure for specified purpose or period:		
Advanced pledges	\$ 495,563	\$ 429,523
Campaign sponsorship	51,200	44,500
Grants	154,200	62,500
Targeted funds	<u>129,473</u>	<u>259,456</u>
Total subject to expenditure for specified purpose or period	<u>830,436</u>	<u>795,979</u>
Not subject to spending policy or appropriation:		
Promises to give	312,030	
Investment in perpetuity	<u>63,042</u>	
Total not subject to spending policy or appropriation	<u>375,072</u>	
Net assets with donor restrictions	<u>1,205,508</u>	<u>795,979</u>
<u>Total net assets</u>	<u>\$ 5,650,081</u>	<u>\$ 5,484,722</u>

**Note 3 - Liquidity and Availability of Financial Assets**

The Organization received significant contributions and promises to give restricted by donors and consider those program contributions, which are ongoing, major, and central to its operations, to be available to meet cash needs for general expenditures.

The Organization manages liquidity and reserves utilizing three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets to fund near-term operating needs, and
- Maintaining dedicated reserves to provide reasonable assurance that obligations are met.

Board designated operating reserves are available for appropriation by the Board. Although the Organization does not intend to spend from its board designated operating reserves, other than amounts appropriated for general expenditure as part of its annual budget process, amounts could be made available if necessary.

The Organization maintains a line of credit to meet short-term working capital needs with access to up to \$600,000 to meet general expenditure needs.

**Note 3 - Liquidity and Availability of Financial Assets (continued)**

The following reflects the liquidity and availability of the Organization's financial assets:

<u>At June 30</u>	<u>2019</u>	<u>2018</u>
Financial assets:		
Cash and equivalents	\$ 234,141	\$ 239,762
Grants receivable	25,000	47,001
Promises to give, net	1,890,470	1,980,160
Other receivables	37,635	69,611
Investments	1,293,943	1,290,798
Other investment	22,751	
Beneficial interest in an endowment fund	<u>2,042,515</u>	<u>2,062,828</u>
Total financial assets	<u>5,546,455</u>	<u>5,690,160</u>
Amounts not available for general expenditure:		
Board designated operating reserve	(685,087)	(696,330)
Board designated capital reserve	(366,653)	(400,964)
Board designated 2-1-1 reserve	(179,161)	(193,504)
Total net assets with donor restrictions	(1,205,508)	(795,979)
Add back: grants receivable	25,000	47,001
Add back: unallocated promises to give, current portion	<u>799,093</u>	<u>318,024</u>
Total amounts not available for general expenditure	<u>(1,612,316)</u>	<u>(1,721,752)</u>
Net financial assets available to meet cash needs <u>for general expenditures within one year</u>	<u>\$ 3,934,139</u>	<u>\$ 3,968,408</u>

**Note 4 - Promises to Give**

Unconditional promises to give are described as follows:

<u>At June 30</u>	<u>2019</u>	<u>2018</u>
Due in less than one year	\$ 2,305,420	\$ 2,264,742
One to five years	<u>29,000</u>	<u>161,000</u>
Total unconditional promises to give	2,334,420	2,425,742
Less, designations to other agencies	(327,229)	(324,213)
Less, allowance for uncollectible promises to give	<u>(116,721)</u>	<u>(121,369)</u>
<u>Promises to give</u>	<u>\$ 1,890,470</u>	<u>\$ 1,980,160</u>

### **Note 5 - Other Receivables**

Other receivables are described as follows:

<u>At June 30</u>	<u>2019</u>	<u>2018</u>
Sales tax	\$ 8,988	\$ 7,127
Employee receivables	2,451	3,708
Other	<u>26,196</u>	<u>58,776</u>
<u>Other receivables</u>	<u>\$ 37,635</u>	<u>\$ 69,611</u>

### **Note 6 - Beneficial Interest in an Endowment Fund**

The beneficial interest in an endowment fund is managed by the Community Foundation of Western North Carolina, Inc. (Foundation). The fund agreement grants variance power to the Foundation. This power allows the Board of Directors of the Foundation to modify any condition or restriction on the use and distribution of funds for any specified charitable purpose or to specified organizations if, in its sole judgement (without the approval of any trustee, custodian, guardian or agent), such condition or restriction becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by the Foundation. Under the terms of the agreements, the Organization can withdraw all or a portion of the original principal provided the governing board of the Organization approves the withdrawal. The Organization's beneficial interest in an endowment fund is invested in an allocated investment pool at the Foundation and is presented in the financial statements in the aggregate at fair value.

### **Note 7 - Fair Value Measurements**

Investments are recorded in the accompanying financial statements at estimated fair value in accordance with the fair value hierarchy. The fair values of investments are determined as follows:

#### *Cash and Money Market Funds*

Cash and money market funds are valued using observable market data and are categorized as Level 1 to the degree that they can be valued based on quoted market prices in active markets. Although these funds are readily available, it is the intent of the Organization to hold them for investment purposes and therefore have classified them as investments.

#### *Equity Investments*

Equity investments consist of daily traded exchange-traded funds and mutual funds. These investments are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1, with no valuation adjustments applied.

## **Note 7 - Fair Value Measurements (continued)**

### *Beneficial Interest in an Endowment Fund*

The fair value of the beneficial interest in an endowment fund is provided by the Foundation. Due to the inputs being unobservable, the instrument is classified as Level 3.

### *Other Investment*

Other investment consists of a segregated insurance collateral account that is valued at fair value as reported by the insurance captive provider. Due to the inputs being unobservable, the instrument is classified as Level 3.

The following tables sets forth carrying amounts and estimated fair values for financial instruments:

<u>At June 30, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash and money				
market funds	\$ 77,967	\$	\$	\$ 77,967
Equity investments:				
Exchange-traded funds	1,138,081			1,138,081
Mutual funds	<u>77,895</u>			<u>77,895</u>
Total investments	<u>1,293,943</u>			<u>1,293,943</u>
Beneficial interest in an endowment fund			2,042,515	2,042,515
Other investment			<u>22,751</u>	<u>22,751</u>
<u>Total fair value measurements</u>	<u>\$ 1,293,943</u>	<u>\$</u>	<u>\$ 2,065,266</u>	<u>\$ 3,359,209</u>

<u>At June 30, 2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash and money				
market funds	\$ 26,731	\$	\$	\$ 26,731
Equity investments:				
Exchange-traded funds	1,246,064			1,246,064
Mutual funds	<u>18,003</u>			<u>18,003</u>
Total investments	<u>1,290,798</u>			<u>1,290,798</u>
Beneficial interest in an endowment fund			<u>2,062,828</u>	<u>2,062,828</u>
<u>Total fair value measurements</u>	<u>\$ 1,290,798</u>	<u>\$</u>	<u>\$ 2,062,828</u>	<u>\$ 3,353,626</u>



**Note 7 - Fair Value Measurements (continued)**

A reconciliation of changes in Level 3 inputs is as follows:

<u>Year Ended June 30, 2019</u>	<u>Beneficial Interest in an Endowment Fund</u>	<u>Other Investment</u>	<u>Total</u>
Level 3 inputs, beginning of year	\$ 2,062,828	\$	\$ 2,062,828
Purchases		15,331	15,331
Distributions	(64,400)		(64,400)
Interest and dividends	19,860		19,860
Investment fees	(16,919)		(16,919)
Net gains	<u>41,146</u>	<u>7,420</u>	<u>48,566</u>
<u>Level 3 inputs, end of year</u>	<u>\$ 2,042,515</u>	<u>\$ 22,751</u>	<u>\$ 2,065,266</u>

<u>Year Ended June 30, 2018</u>	<u>Beneficial Interest in an Endowment Fund</u>
Level 3 inputs, beginning of year	\$ 1,468,238
Contributions	567,320
Distributions	(64,070)
Interest and dividends	15,633
Investment fees	(13,532)
Net gains	<u>89,239</u>
<u>Level 3 inputs, end of year</u>	<u>\$ 2,062,828</u>

**Note 8 - Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities are described as follows:

<u>At June 30</u>	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 52,098	\$ 21,454
Accrued compensated absences	153,833	134,130
Accrued payroll	32,782	25,734
Accrued health insurance liabilities	<u>39,375</u>	<u></u>
<u>Accounts payable and accrued liabilities</u>	<u>\$ 278,088</u>	<u>\$ 181,318</u>

### **Note 9 - Property and Equipment**

Property and equipment consists of the following:

<u>At June 30</u>	<u>2019</u>	<u>2018</u>
Land	\$ 100,420	\$ 100,420
Building and improvements	3,008,807	2,990,801
Furniture and equipment	427,185	444,419
Vehicles	<u>5,427</u>	<u>5,427</u>
	3,541,839	3,541,067
Less, accumulated depreciation	<u>1,728,447</u>	<u>1,676,151</u>
<u>Property and equipment</u>	<u>\$ 1,813,392</u>	<u>\$ 1,864,916</u>

Depreciation expense for the years ended June 30, 2019 and 2018, was \$95,164 and \$93,572, respectively.

### **Note 10 - Line of Credit**

The Organization maintains an unsecured line of credit with maximum borrowings of \$600,000. The Organization has no significant compensating balance requirements or commitment fees related to this line. Interest is charged at the Prime Rate as published in the Wall Street Journal, plus 0.25%. At June 30, 2019 and 2018, the outstanding balance on the line of credit was \$196,651 and \$443,800, respectively. The line of credit matures in March 2020. The Organization was not in violation of any loan covenants associated with the line of credit for the years ended June 30, 2019 and 2018.

### **Note 11 - Building Rents**

The Organization owns the Community Service Center building at 50 South French Broad Avenue and leases office space to nonprofit agencies and other businesses. Lease agreements are generally for one year.

A summary of net building rents is as follows:

<u>At June 30</u>	<u>2019</u>	<u>2018</u>
Building rents	\$ <u>274,672</u>	\$ <u>268,684</u>
Rental expenses	168,828	200,409
Depreciation	38,066	37,429
Interest	<u>469</u>	<u>313</u>
Total expenses	<u>207,363</u>	<u>238,151</u>
<u>Building Rents, net</u>	<u>\$ 67,309</u>	<u>\$ 30,533</u>

Future minimum rental payments to be received under all non-cancelable operating leases are \$55,788 for the year ending June 30, 2020.

## **Note 12 - Retirement Plan**

The Organization participates in a 401(k) defined contribution retirement plan (the Plan). The Plan was amended in January 2018. Prior to January 2018, the employer nonelective contributions were 5% of employee compensation for all eligible employees. Beginning January 2018, employees are eligible for participation in the Plan after attaining age eighteen and completing one month of service. The Organization will make a matching contribution equal to fifty percent of the employees' elective deferral up to two percent of employee compensation. The Organization will also make nonelective contributions to the Plan for eligible plan participants equal to 4% of employee compensation. Employer matching and nonelective contributions become vested after one year of continuous service. Retirement benefit expenses under the Plan for the years ended June 30, 2019 and 2018, were \$67,000 and \$70,102, respectively.

## **Note 13 - Concentrations of Credit Risk**

The Organization's investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these investments and the level of uncertainty related to changes in the fair value of investments, it is at least reasonably possible that changes in the various risk factors could occur in the near term and materially affect the Organization's investment account balances and amounts reported in the accompanying financial statements.

## **Note 14 - Commitments and Contingencies**

### Lease Commitments

The Organization leases office equipment under an operating lease. Total lease expense for the years ended June 30, 2019 and 2018, was \$2,853 and \$3,410, respectively. Future minimum lease payments are as follows:

<u>Years Ending June 30</u>	<u>Principal Payments</u>
2020	\$ 2,935
2021	2,935
2022	2,936
2023	
2024	
<u>Total minimum lease payments</u>	<u>\$ 8,806</u>

### Self-insured Health Insurance

The Organization offers health insurance to its full-time employees and began a self-insured health insurance program in October 2018. The insurance costs are paid by the Organization and are managed through a third-party administrator. The Organization has recorded an accrued liability for health insurance claims in the amount of \$39,375 at June 30, 2019. While management believes the accrual is adequate, actual claims may exceed accruals.

## **Note 14 - Commitments and Contingencies (continued)**

### **Self-insured Health Insurance (continued)**

The Organization maintains a stop loss insurance policy that began in October 2018 and continues through December 2019 which limits claims to \$25,000 per plan member per benefit period. The minimum aggregate annual attachment point is \$160,902 for the year ended June 30, 2019. The maximum annual reimbursement under the aggregate stop loss coverage is \$1 million and the annual reimbursements under individual stop loss coverage is unlimited. Therefore, the stop loss policy covers \$1 million over the minimum aggregate attachment point and the reimbursement per member per year is unlimited after the \$25,000 specific deductible on that member is met. The Organization maintains a captive collateral account with the insurance company that is recorded as an other investment in the amount of \$22,751 at June 30, 2019. Additionally, the Organization maintains a separate cash account to pay insurance claims that is reported as restricted cash on the statements of financial position. Cash restricted for insurance claims was \$23,912 at June 30, 2019.

### **Risk Management**

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and volunteers; and natural disasters. The Organization carries commercial insurance coverage for risks of loss. Claims have not exceeded coverage in any period since inception.

## **Note 15 - Related Party Transactions**

During the years ended June 30, 2019 and 2018, the Organization received contributions of \$113,924 and \$113,030, respectively, from members of the Board of Directors.

During the years ended June 30, 2019 and 2018, the Organization paid dues in the amount of \$59,474 and \$60,902 to state and national affiliates.

## **Note 16 - Income Taxes**

### **Uncertain Tax Positions**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

### **Open Tax Years**

The Organization's Return of Organization Exempt from Income Tax (Form 990) for the tax years ended June 30, 2018, 2017, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

**Note 17 - Subsequent Events**

Management has evaluated subsequent events through November 20, 2019, which is the date the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

**UNITED WAY OF ASHEVILLE AND BUNCOMBE COUNTY, INC.**

Schedule of Grants to Partner Organizations  
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
All Souls Counseling Center	\$ 52,189	\$ 59,872
American Red Cross	17,000	46,821
Asheville City Schools Foundation	45,000	45,000
Big Brothers/Big Sisters of WNC	50,780	52,402
Bountiful Cities	10,756	11,295
CarePartners		20,643
CARING for Children	49,837	58,384
Children First/Communities in Schools	64,016	64,754
Children's Hope Alliance		9,314
Council on Aging of Buncombe County	31,114	40,145
Eliada Homes	11,000	7,790
Girl Scouts of Western North Carolina, Pisgah Council		11,931
Girls on the Run	8,610	3,267
Green Opportunities	33,542	38,904
Haywood Street Congregation	15,341	16,748
Helpmate	71,597	80,364
Homeward Bound of Western North Carolina	85,559	96,258
Housing Authority of the City of Asheville	12,722	13,392
Irene Wortham Center	54,000	61,508
Just Economics of WNC	11,400	10,959
Literacy Council of Buncombe County	13,978	15,178
MANNA Food Bank	16,680	20,066
MemoryCare	11,496	11,685
Mountain Child Advocacy Center	33,349	37,835
Mountain Housing Opportunities	15,000	37,467
OnTrack Financial Education	66,171	68,601
Our Voice	39,490	40,515
Pisgah Legal Services	110,571	128,154
Read to Succeed of Asheville	11,000	6,689
The Mediation Center	25,478	25,766
Verner Center for Early Learning	61,835	75,338
WNC AIDS Project	14,124	13,815
WNC Community Health Services	36,012	53,885
Women's Wellbeing and Development Foundation		12,381
YMCA of WNC	39,943	59,453
YWCA Asheville	<u>140,473</u>	<u>146,816</u>
 Total	 <u>\$ 1,260,063</u>	 <u>\$ 1,503,395</u>

**UNITED WAY OF ASHEVILLE AND BUNCOMBE COUNTY, INC.**

Schedule of Building Expenses  
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Salaries	\$ 56,274	\$ 54,538
Payroll taxes	3,788	3,486
Employee benefits	16,772	20,386
Supplies	14,562	23,030
Occupancy	57,723	81,779
Telephone and technology	1,175	4,894
Travel and conference	1,310	1,348
Professional fees	482	1,284
Insurance	6,700	8,528
Miscellaneous	<u>10,042</u>	<u>1,136</u>
Total building expenses before depreciation and interest	168,828	200,409
Depreciation	38,066	37,429
Interest	<u>469</u>	<u>313</u>
Total	<u>\$ 207,363</u>	<u>\$ 238,151</u>