

**UNITED WAY OF GREATER CHARLOTTE, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2025 AND 2024**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

**UNITED WAY OF GREATER CHARLOTTE, INC.  
TABLE OF CONTENTS  
YEARS ENDED JUNE 30, 2025 AND 2024**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>4</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>5</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>7</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>9</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>10</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF MANAGEMENT CALCULATION OF OVERHEAD RATE     (NON-GAAP CALCULATION)</b>	<b>29</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
United Way of Greater Charlotte, Inc.  
Charlotte, North Carolina

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of United Way of Greater Charlotte, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, 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.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.


We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of management calculation of overhead rate (non-GAAP calculation) is presented for purposes of additional analysis and is not a required part 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 audits 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025, on our consideration of the Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Organization’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
December 12, 2025

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 AND 2024**

	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,592,332	\$ 4,498,064
Campaign Promises to Give	2,550,263	2,878,139
Less: Allowance for Uncollectible Promises to Give	(477,011)	(450,327)
Campaign Promises to Give, Net	2,073,252	2,427,812
Grants Receivable	1,812,500	3,218,363
Government Receivables	3,926,183	4,497,280
Less: Allowance for Uncollectible Government Grants	(2,457,274)	-
Government Receivables, Net	1,468,909	4,497,280
Donated Facilities Receivable	233,568	249,380
Other Receivables	151,142	27,646
Prepaid Expenses and Other Assets	71,435	94,543
Investments	14,675,544	14,403,061
Right of Use Asset - Operating	2,235,846	2,323,866
Property and Equipment, Net	361,684	459,514
 Total Assets	 \$ 26,676,212	 \$ 32,199,529
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 269,363	\$ 519,406
Accrued Compensation	121,034	259,954
Other Liabilities and Accrued Expenses	126,517	4,583
Campaigns Processed for Others, Net	350,535	395,586
Grants Payable	3,825,556	3,791,506
Due to Designated Agencies	228,069	204,600
Right of Use Lease Liability - Operating	2,305,115	2,367,616
Total Liabilities	7,226,189	7,543,251
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Board Designated	1,123,194	1,450,457
Undesignated	14,099,365	18,397,761
Total Without Donor Restrictions	15,222,559	19,848,218
With Donor Restrictions:		
Subject to Passage of Time	1,561,429	2,382,701
Subject to Purpose Restrictions	1,330,822	1,011,155
Endowments	1,335,213	1,414,204
Total With Donor Restrictions	4,227,464	4,808,060
Total Net Assets	19,450,023	24,656,278
 Total Liabilities and Net Assets	 \$ 26,676,212	 \$ 32,199,529

See accompanying Notes to Financial Statements.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Additional 2023 Campaign Revenue	\$ 1,231,344	\$ -	\$ 1,231,344
Less: Donor Designations	-	-	-
Net Additional 2023 Campaign Revenue	1,231,344	-	1,231,344
Gross 2024 Campaign Revenue	6,601,610	-	6,601,610
Less: Donor Designations	(1,732,181)	-	(1,732,181)
Less: Provision for Uncollectibles	(273,212)	-	(273,212)
Net 2024 Campaign Revenue	4,596,217	-	4,596,217
Gross 2025 and Future Campaigns Revenue	-	196,573	196,573
Less: Provision for Uncollectibles	-	(2,652)	(2,652)
Net 2025 and Future Campaigns Revenue	-	193,921	193,921
Designations from Other United Ways	42,302	-	42,302
Grants and Contributions	26,500	2,223,660	2,250,160
Bad Debt Loss	-	(300,000)	(300,000)
Government Grants	124,272	5,059,991	5,184,263
Sponsorships	28,737	273,500	302,237
Administrative Services	34,235	-	34,235
Investment Return, Net	1,429,569	149,943	1,579,512
Contributions of Nonfinancial Assets	316	185,846	186,162
Other Revenues	54,462	-	54,462
Net Assets Released from Restrictions:			
Satisfaction of Time Restrictions	1,301,040	(1,301,040)	-
Satisfaction of Purpose Restrictions	7,066,417	(7,066,417)	-
Total Revenues and Other Support	15,935,411	(580,596)	15,354,815
<b>EXPENSES</b>			
Program Services:			
Community Investment	9,386,551	-	9,386,551
Government Programs	5,291,130	-	5,291,130
Supporting Services:			
Fundraising	1,688,413	-	1,688,413
Management and General	4,194,976	-	4,194,976
Total Expenses	20,561,070	-	20,561,070
<b>CHANGE IN NET ASSETS</b>	(4,625,659)	(580,596)	(5,206,255)
Net Assets - Beginning of Year	19,848,218	4,808,060	24,656,278
<b>NET ASSETS - END OF YEAR</b>	\$ 15,222,559	\$ 4,227,464	\$ 19,450,023

See accompanying Notes to Financial Statements.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Additional 2022 Campaign Revenue	\$ 928,294	\$ -	\$ 928,294
Less: Donor Designations	-	-	-
Net Additional 2022 Campaign Revenue	928,294	-	928,294
Gross 2023 Campaign Revenue	7,418,616	44,788	7,463,404
Less: Donor Designations	(1,223,865)	-	(1,223,865)
Less: Provision for Uncollectibles	(464,651)	-	(464,651)
Net 2023 Campaign Revenue	5,730,100	44,788	5,774,888
Gross 2024 and Future Campaigns Revenue	-	330,388	330,388
Less: Provision for Uncollectibles	-	(16,519)	(16,519)
Net 2024 and Future Campaigns Revenue	-	313,869	313,869
Designations from Other United Ways	54,050	-	54,050
Grants and Contributions	7,592	3,945,000	3,952,592
Government Grants	-	6,853,563	6,853,563
Sponsorships	540,340	211,550	751,890
Administrative Services	160,801	-	160,801
Investment Return, Net	1,435,407	187,233	1,622,640
Contributions of Nonfinancial Assets	204,461	192,568	397,029
Other Revenues	116,831	-	116,831
Net Assets Released from Restrictions:			
Satisfaction of Time Restrictions	1,237,155	(1,237,155)	-
Satisfaction of Purpose Restrictions	9,425,165	(9,425,165)	-
Total Revenues and Other Support	19,840,196	1,086,251	20,926,447
<b>EXPENSES</b>			
Program Services:			
Community Investment	8,500,491	-	8,500,491
Government Programs	7,190,869	-	7,190,869
Supporting Services:			
Fundraising	1,572,022	-	1,572,022
Management and General	1,633,945	-	1,633,945
Total Expenses	18,897,327	-	18,897,327
<b>CHANGE IN NET ASSETS</b>	942,869	1,086,251	2,029,120
Net Assets - Beginning of Year	18,905,349	3,721,809	22,627,158
<b>NET ASSETS - END OF YEAR</b>	\$ 19,848,218	\$ 4,808,060	\$ 24,656,278

See accompanying Notes to Financial Statements.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2025**

	Program Services			Supporting Services			
	Community Investment	Governmental Programs	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Salaries and Wages	\$ 1,244,648	\$ 682,857	\$ 1,927,505	\$ 1,036,763	\$ 551,162	\$ 1,587,925	\$ 3,515,430
Payroll Taxes	102,174	51,722	153,896	83,744	43,315	127,059	280,955
Employee Benefits	228,668	126,442	355,110	196,169	116,563	312,732	667,842
Total	<u>1,575,490</u>	<u>861,021</u>	<u>2,436,511</u>	<u>1,316,676</u>	<u>711,040</u>	<u>2,027,716</u>	<u>4,464,227</u>
Occupancy	311,420	-	311,420	152,442	92,210	244,652	556,072
Supplies and Materials	69,805	18,918	88,723	54,417	99,006	153,423	242,146
Outside Services	723,266	1,085,961	1,809,227	59,606	654,437	714,043	2,523,270
Grant Awards	6,362,381	3,283,443	9,645,824	-	-	-	9,645,824
Volunteer Expense	6,995	-	6,995	496	3,309	3,805	10,800
Events	152,034	2,500	154,534	40,924	4,643	45,567	200,101
Training and Development	14,229	15,903	30,132	6,004	12,909	18,913	49,045
Travel and Conferences	34,407	20,509	54,916	14,437	6,143	20,580	75,496
Dues and Subscriptions	-	596	596	3,157	2,004	5,161	5,757
Taxes, Licenses, and Fees	-	-	-	-	266	266	266
UWW and UWNC Dues	106,839	-	106,839	32,090	32,090	64,180	171,019
Bad Debt Expense	-	-	-	-	2,565,478	2,565,478	2,565,478
Other	29,685	2,279	31,964	8,164	11,441	19,605	51,569
Total Expenses	<u>\$ 9,386,551</u>	<u>\$ 5,291,130</u>	<u>\$ 14,677,681</u>	<u>\$ 1,688,413</u>	<u>\$ 4,194,976</u>	<u>\$ 5,883,389</u>	<u>\$ 20,561,070</u>

See accompanying Notes to Financial Statements.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

	Program Services			Supporting Services			
	Community Investment	Governmental Programs	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Salaries and Wages	\$ 1,001,430	\$ 972,957	\$ 1,974,387	\$ 930,791	\$ 584,471	\$ 1,515,262	\$ 3,489,649
Payroll Taxes	78,635	75,122	153,757	71,714	43,693	115,407	269,164
Employee Benefits	229,264	162,215	391,479	167,202	119,294	286,496	677,975
Total	<u>1,309,329</u>	<u>1,210,294</u>	<u>2,519,623</u>	<u>1,169,707</u>	<u>747,458</u>	<u>1,917,165</u>	<u>4,436,788</u>
Occupancy	227,415	426	227,841	165,748	87,950	253,698	481,539
Supplies and Materials	168,424	-	168,424	72,691	65,881	138,572	306,996
Outside Services	238,770	665,240	904,010	72,227	525,288	597,515	1,501,525
Grant Awards	6,136,858	5,274,056	11,410,914	-	-	-	11,410,914
Volunteer Expense	10,296	-	10,296	3,398	2,516	5,914	16,210
Events	125,817	-	125,817	16,792	169,616	186,408	312,225
Training and Development	22,928	9,440	32,368	8,436	-	8,436	40,804
Travel and Conferences	17,737	27,661	45,398	10,488	3,261	13,749	59,147
Dues and Subscriptions	10,222	1,038	11,260	1,829	1,047	2,876	14,136
UWW and UWNC Dues	195,551	-	195,551	40,689	25,373	66,062	261,613
Other	37,144	2,714	39,858	10,017	5,555	15,572	55,430
Total Expenses	<u>\$ 8,500,491</u>	<u>\$ 7,190,869</u>	<u>\$ 15,691,360</u>	<u>\$ 1,572,022</u>	<u>\$ 1,633,945</u>	<u>\$ 3,205,967</u>	<u>\$ 18,897,327</u>

See accompanying Notes to Financial Statements.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (5,206,255)	\$ 2,029,120
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	97,830	123,708
Bad Debt Expense	2,565,478	-
Realized (Gains) Losses on Sale of Investments	(685,732)	188,926
Unrealized Gains on Investments Held	(87,825)	(1,145,095)
Change in Value of Beneficial Interest in Assets	(360,664)	(322,155)
Changes in Operating Assets and Liabilities:		
Campaign Promises to Give, Net	354,560	1,173,453
Grants Receivable	1,405,863	(1,944,766)
Donated Facilities Receivable	15,812	(183,478)
Government Grant Receivable	462,893	-
Other Receivables and Prepaid Expenses	(100,388)	(1,202,219)
Right-of-Use Asset - Operating	88,020	315,674
Accounts Payable and Other Liabilities	(312,080)	101,118
Grants Payable	34,050	(97,664)
Due to Designated Agencies	23,469	(2,400)
Right-of-Use Lease Liability - Operating	(62,501)	(271,924)
Net Cash Used by Operating Activities	(1,767,470)	(1,237,702)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sales or Maturities of Investment Securities	1,151,563	390,365
Purchases of Investment Securities	(289,825)	(637,395)
Net Cash Provided (Used) by Investing Activities	861,738	(247,030)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(905,732)	(1,484,732)
Cash and Cash Equivalents - Beginning of Year	4,498,064	5,982,796
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 3,592,332	\$ 4,498,064

See accompanying Notes to Financial Statements.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 ORGANIZATION**

**Organization and Purpose**

United Way of Greater Charlotte, Inc. (the Organization or United Way) is a nonprofit corporation organized under the laws of the state of North Carolina for purpose of supporting the health and human service needs of individuals within Anson, Cabarrus, Mecklenburg, and Union counties (the four-county region).

The Organization works to find fresh solutions to solve economic mobility and racial equity, working hand-in-hand with neighborhoods and grassroots nonprofits. United Way invests in over 140 nonprofit agencies and initiatives that are building stronger neighborhoods, advancing racial equity and economic mobility, and providing a safety net for those who need it most.

The Organization's program services include:

**Community Investment Process**

United Way supports a broad range of nonprofits working across the Social Determinants of Health. A two-generation approach supports the entire family by focusing on the needs of both the parent and the child. Each year, United Way allocates funding to nonprofits in our four county region.

Each county selects the funding priorities most important to their community. Anson County provides funding to organizations focused on economic stability and access to education. Cabarrus County provides funding to organizations working collaboratively to promote mental wellness. Union County provides funding to organizations focused on economic stability, access to education, and access to healthcare. Mecklenburg County provides funding through two primary initiatives.

1. *United Neighborhoods* – Works to change the odds for those in the most under-resourced neighborhoods by supporting community-driven holistic neighborhood transformation and revitalization efforts.

United Way launched United Neighborhoods in September 2017 with a multi-year investment into the Grier Heights and Renaissance West neighborhoods in Charlotte. In 2022, United Way expanded the initiative to a third neighborhood: Lakeview. In 2023, United Way continued expanding United Neighborhoods, investing in 50 neighborhoods in and around the City of Charlotte's Corridors of Opportunity, and in North Mecklenburg County. The initiative focuses on partnerships with residents, community leaders, businesses, and nonprofits, backed by multi-year funding and staff resources from United Way.

Five additional neighborhoods received smaller, block-building grants designed to increase their capacity to assist their neighbors and develop neighborhood leaders.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 ORGANIZATION (CONTINUED)**

**Organization and Purpose (Continued)**

**Community Investment Process (Continued)**

2. *Unite Charlotte* – Supports new and grassroots organizations through grants and capacity-building activities focused on improving racial equity and increasing social capital.

The effort, launched in 2017, is a collaborative effort with other local funders and community leaders to address issues that led to the unrest in Charlotte during the fall of 2016. United Way funds 55 grassroots nonprofits whose leadership is reflective of the communities served.

Nonprofit agencies receive funding over the course of a 12-month grant cycle. To be eligible for funding, agencies must submit an application that includes organizational and/or programmatic goals. Programmatic goals are linked to United Way's impact framework, which is itself informed by the Social Determinants of Health. In addition, each nonprofit completes an annual financial certification process. Through this discipline, agencies work toward continuous quality improvement so that they may make measurable and lasting change in the lives of the people they serve.

**Government Programs**

During the fiscal year ended June 30, 2025, United Way administered various government funded programs, coordinating the collaborative work of agencies working to move those experiencing or at risk of homelessness into housing.

**Volunteerism**

United Way's volunteer engagement efforts align with the overall strategic direction of the organization by focusing on generating real impact for our partner nonprofit agencies and raising revenue to further our mission. Skill-based volunteering and fee-for-service managed projects are the primary areas of emphasis. Through our website we do offer referrals for individuals, groups or companies looking for volunteer opportunities and encourage them to make arrangements directly with those agencies listed.

United Way also engages volunteers through board/committee and community impact volunteer opportunities.

**NC 2-1-1**

NC 2-1-1 is a service provided by the United Way of North Carolina. NC 2-1-1 is North Carolina's resource for free information and referral services regarding health and human services resources. NC 2-1-1 has a database of over 19,000 resources, including food pantries, homeless shelters, utility and rent assistance funds, health clinics, prescription assistance programs, counseling and substance abuse services, childcare resources, senior resources, resources for persons with disabilities, and much more.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements 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). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions 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. These net assets may be used at the discretion of the Organization’s management and/or board of directors.

*Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where-by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

**Use of Estimates**

The preparation of a financial statement in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, and disclosures. Accordingly, the actual amounts could differ from those estimates and such differences could be material.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**Campaign Promises to Give and Allowances for Uncollectible Promises to Give**

Annual campaign pledge contributions receivable are generally paid in one year. The Organization provides an allowance for uncollectible promises to give based on historical write-off percentages at the time campaign results are recorded. This estimated allowance is periodically adjusted based on campaign collection trends. A campaign is officially closed for accounting purposes, and the final uncollectible amount determined, in the year following the year the workplace campaign collections begin. Any difference in the actual campaign collection results compared with the estimates previously recorded is reflected in the statements of functional expenses and the statements of activities.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions and Support**

Contributions received are recorded as net assets with or without donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are released to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Conditional contributions with conditions met in the same reporting period in which they are received are reported as unconditional contributions.

**Grant Awards**

Grant awards are evaluated by management and determined to be unconditional contributions, exchange transactions, or conditional contributions. If considered to be an unconditional contribution, revenue from grants is recorded upon notification of the award. If considered to be an exchange transaction, revenue from grants is recorded as expenses are incurred under the terms of the respective grant agreement. If considered to be a conditional contribution, revenue from grants is recorded at the time the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received or receivable are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Any amounts received prior to incurring qualifying expenditures would be reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants that have not been recognized of approximately \$8,540,000 and \$5,551,000 for the year ended June 30, 2025 and 2024, respectively, because qualifying expenditures have not yet been incurred. No advance payments have been received.

A portion of the Organization's revenue is from fee-for-service arrangements. Management recognizes revenue from fee-for-service arrangements as services are provided at a point in time. Fees collected in advance of the completion of these services are reported as unearned revenue on the statements of financial position. Revenue is recorded at the transaction price, which does not include any price concessions. Sponsorship revenue is recognized when the event is held. Sponsorships are billed when contracts are signed, as a result, the Organization records deferred revenue and accounts receivable for any amounts for which the Organization has a right to invoice for which the events have not been held. Sponsorships may be comprised of an exchange element based on the value of benefits provided and a contribution element for the difference between the sponsorship and the value of the exchange element. The Organization recognized the exchange portion over time, and the contribution portion at the time of contribution.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments**

Investments are recorded at fair value. Investment return consists of interest and dividends and realized and unrealized gains and losses, net of investment expenses.

**Property and Equipment, Net**

Property and equipment is recorded at cost, if purchased, and at estimated fair value at the date of receipt, if donated. The Organization capitalizes assets that have a value or cost of \$2,500 or greater at the date of acquisition and an estimated useful life of more than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The cost and any accumulated depreciation related to assets sold or retired is removed from the accounts, and any resulting gain or loss is included in the determination of the change in net assets. Donated property is reported as support without donor restrictions unless the donor restricts the donated asset to a specific purpose. The estimated useful lives of assets 5 to 10 years for furniture and equipment and over the lease term for leasehold improvements.

**Designated Pledges**

The Organization accepts donor pledges that are designated to certain other 501(c)(3), health and human service organizations. Donor designated pledges that are raised, processed, and distributed are assessed an administrative fee. The administrative fee cannot exceed the calculation as prescribed by the *United Way Worldwide Cost Deduction Requirement for Membership Standard M*. This calculation is based on actual historical costs. Designated pledges that United Way does not process and for which no administrative fee is received (pay-direct designations) are not reported in the statement of activities.

**Contributed Nonfinancial Assets**

The Organization recognized contributed nonfinancial assets within revenue, including donated services and use of facilities, as further described below. Contributed nonfinancial assets did not have donor-imposed restrictions.

**Donated Goods, Services and Use of Facilities**

The Organization recognizes contributed services as revenue and expense if such services meet the criteria for recognition under U.S. GAAP. For the years ended June 30, 2025 and 2024, the Organization recorded no donated services.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Goods, Services and Use of Facilities (Continued)**

During the years ended June 30, 2025 and 2024, the Organization received occupancy rent credits in the estimated fair value amounts of approximately \$186,000 and \$397,000, respectively, from its landlord, Ascend Nonprofit Solutions, Inc. (Ascend). The estimated fair value is based on comparable rental rates in the local real estate market. These credits are approved by Ascend on an annual basis and are recorded as contributions of nonfinancial assets in the period in which they are received. Because there are numerous factors used in determining the rental rates each period, the Organization receives notification of the amount of below market rent from Ascend on an annual basis. The amount of donated facilities receivables outstanding at year end relates to the known below market rent communicated by Ascend for the next fiscal year. For the years ended June 30, 2025 and 2024, the receivable from Ascend was approximately \$186,000 and \$193,000, respectively.

In addition to the donated goods above, a number of volunteers, including members of the board of directors and its committees as well as various volunteer assistants, contribute significant amounts of time to further the Organization's programs. The value of this contributed time does not meet the criteria for recognition of contributed services and, accordingly, is not reflected as support in the accompanying financial statements.

**Fair Value of Financial Instruments**

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

*Level 1* – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

*Level 2* – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

*Level 3* – Inputs that are unobservable for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

United Way of Greater Charlotte, Inc. is a nonprofit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. The Organization is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes. Accordingly, no provision for income taxes is required in the financial statements.

The Organization's income tax returns are subject to review and examination by federal, state, and local authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status.

U.S. GAAP requires the Organization to recognize a tax benefit or expense from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the tax authorities, based on the technical merits of the position. Management believes the Organization had no uncertain tax positions as of June 30, 2025 and 2024.

**Functional Expense Classification**

The Organization's functional expense classification and allocation policy is based on United Way Worldwide functional expense and overhead reporting standards, a review of the current organizational structure and the identification, reclassification, and allocation of certain employee, facility, and departmental expenses, which serve multiple functional areas. The supplemental schedule of management calculation of overhead rate is presented for purposes of additional analysis and is not a required part of the basic financial statements.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 12, 2025, the date the financial statements were available to be issued.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 3 LIQUIDITY AND AVAILABILITY OF RESOURCES**

The table below represents financial assets available for general expenditures within one year at June 30:

	2025	2024
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 3,592,332	\$ 4,498,064
Campaign Promises to Give, Net	2,073,252	2,427,812
Grants Receivable	1,812,500	3,218,363
Government Receivables, Net	1,468,909	4,497,280
Other Receivables	151,142	27,646
Investments	14,675,544	14,403,061
Total Financial Assets at Year-End	23,773,679	29,072,226
Less: Amounts Not Available to be Used for General Expenditures Within One Year:		
Campaigns Processed for Others, Net	350,535	395,586
Due to Designated Agencies	228,069	204,600
Board Quasi-Endowments	1,123,194	1,450,457
Purpose and Time Restrictions	2,892,251	3,393,856
Endowment Funds Held in Perpetuity Including Accumulated Earnings	1,335,213	1,414,204
Financial Assets Not Available to be Used Within One Year	5,929,262	6,858,703
Total Net Financial Assets Available to Meet General Expenditures Within One Year	\$ 17,844,417	\$ 22,213,523

During the year ended June 30, 2025, the Organization recognized a total reduction in net assets of approximately \$5,206,000, primarily driven by a bad debt loss of approximately \$300,000 and bad debt expense of approximately \$2,565,000, related to specific grant and government receivables, respectively. The Organization received three separate notifications from donors and grantors that led management to determine the collection of these specific receivables was no longer probable. Based on known information through December 12, 2025, management believes that all three instances are isolated, unrelated, and not indicative of the Organization's ongoing programmatic operations or standard collection experience. Thus, management believes that the remaining receivables are collectible.

Furthermore, the Organization maintains approximately \$14,676,000 in investments, of which approximately \$13,340,000 does not have any donor restrictions. These highly liquid assets are available to be used in operations at management's discretion to support ongoing operations and mitigate the financial impact on the Organization's ability to further its mission in the community from these isolated events.

As part of the ongoing management of liquidity, the Organization monitors its cash flows and availability of resources. The Organization has a policy to structure its financial assets to be available as general expenditures, funds for which are considered to be for ongoing activities of the Organization.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 4 CAMPAIGN PROMISES TO GIVE, NET**

Campaign promises to give at June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Campaign Promises to Give, 2025/2026 Campaign	\$ 244,381	\$ -
Campaign Promises to Give, 2024/2025 Campaign	2,262,623	439,501
Campaign Promises to Give, 2023/2024 Campaign	43,259	2,434,597
Campaign Promises to Give, 2022/2023 Campaign	-	4,041
Total Campaign Promises to Give	<u>2,550,263</u>	<u>2,878,139</u>
Less: Allowance for Uncollectible Promises to Give	<u>(477,011)</u>	<u>(450,327)</u>
Total Campaign Promises to Give, Net	<u><u>\$ 2,073,252</u></u>	<u><u>\$ 2,427,812</u></u>

A portion of these receivables are recorded as restricted support in the accompanying statements of activities as they are multi-year gifts and not expected to be collected within the standard campaign cycle. These gifts are expected to be collected as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 138,381
2027	106,000
Total Multi-Year Gifts	<u>244,381</u>
Less: Allowance for Uncollectible Multi-Year Gifts	<u>(18,712)</u>
Total	<u><u>\$ 225,669</u></u>

Management calculated the discount on receivables and determined it to be immaterial to the financial statements. Accordingly, no discount on campaign promises has been recorded for the years ended June 30, 2025 and 2024.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 5 INVESTMENTS**

Investments at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Cash and Money Market Funds	\$ 13,989	\$ -
Mutual Funds:		
Balanced Global Funds	640,060	2,593,929
Domestic Fixed Income Funds	5,865,241	2,898,261
International Equity Funds	1,312,785	909,189
Domestic Large Cap Equity Funds	3,185,212	3,884,132
Domestic Mid Cap Equity Funds	764,679	811,467
Domestic Small Cap Equity Funds	435,171	441,422
Beneficial Interest in Assets Held by United Way Legacy Foundation at the Foundation For The Carolinas (FFTC)	2,458,407	2,864,661
Total Investments	\$ 14,675,544	\$ 14,403,061

The Organization's investments are exposed to various risks such as interest rate, market, liquidity, and credit risk. Due to the current and potential future volatility in the financial markets, it is possible that changes in the investment values and liquidity could occur in the near term and could materially affect the reported investment values in the accompanying statements of financial position.

The following is a summary of investment return and losses for the years ended June 30:

	2025	2024
Interest and Dividends	\$ 445,291	\$ 344,316
Change in Value of Beneficial Interest in Assets	360,664	322,155
Net Change in Fair Value of Investments:		
Realized Gains (Losses)	685,732	(188,926)
Unrealized Gains	87,825	1,145,095
Total Investment Return, Net	\$ 1,579,512	\$ 1,622,640

**United Way Legacy Foundation**

The Organization has established an endowment that is administered by the United Way Legacy Foundation (Legacy Foundation), a supporting organization of Foundation For The Carolinas (FFTC). The Board established the endowed account for contributions from donors required to be maintained in perpetuity. Earnings on the funds are available for spending annually, in accordance with the Legacy Foundation's spending policy. The endowed assets are reported at fair value and are included in investments in the accompanying statement of financial position. The endowed assets, including gains and losses, are recorded as net assets without donor restrictions. The fair value of the endowed assets at June 30, 2025 and 2024 and changes in the endowment net assets are presented in Notes 14 and 15.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 5 INVESTMENTS (CONTINUED)**

**Donor-Restricted Endowment Funds**

The Organization also holds beneficial interests in certain trusts that are administered by FFTC. The Organization has the irrevocable right to receive income earned on the trust assets; however, the Organization will not receive the assets held in the trust, which are invested in perpetuity. The beneficial interests in the trusts are valued at the fair value of the assets held in the trust and are included in investments in the accompanying statement of financial position. Changes in the fair value of the assets held in trust are recorded as net assets with or without donor restrictions in accordance with donor stipulations. Reclassifications into net assets without donor restrictions are made as distributable income is released from restriction. The fair value of the endowed assets at June 30, 2025 and 2024 and changes in the endowment net assets are presented in Notes 14 and 15.

The Legacy Foundation and donor-restricted endowment funds are held at FFTC and invested in professionally managed pooled funds of common stock equities, bonds, and other fixed income investments, which are subject to fluctuations in market values and expose the Organization to a certain degree of interest and credit risk.

The FFTC fund managers invest in private investment funds as part of the asset allocation, as an alternative investment strategy, with the purpose of increasing the diversity of the holdings and being consistent with the overall investment objectives. The private investment funds are not traded on an exchange and, accordingly, investments in such funds may not be as liquid as investments in marketable equity or debt securities.

The private investment funds may invest in other private investment funds, equity, or debt securities which may or may not have readily available fair values, and foreign exchange or commodity forward contracts. Management of FFTC relies on various factors to estimate the fair value of these investments and believes its processes and procedures for valuing investments are effective and that its estimate of value is reasonable. However, the factors used by management are subject to change in the near term and, accordingly, investment values and performance can be affected. The effect of these changes could be material to the accompanying financial statements.

**NOTE 6 PROPERTY AND EQUIPMENT, NET**

The components of property and equipment, net at June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Leasehold Improvements	\$ 796,505	\$ 796,505
Furniture and Equipment	630,959	630,959
Total	<u>1,427,464</u>	<u>1,427,464</u>
Less: Accumulated Depreciation	<u>(1,065,780)</u>	<u>(967,950)</u>
Property and Equipment, Net	<u>\$ 361,684</u>	<u>\$ 459,514</u>

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 7 PRIORITY CREDIT LINE**

During the year ended June 30, 2023, the Organization entered into a Priority Credit Line (PCL) with a financial institution that holds a portion of the Organization's investments. The Organization has pledged the investments held by the institution as a guaranty if the Organization were to draw credit on the PCL. The maximum amount of credit that may be extended on the PCL is based on eligible securities held at the institution ranging from 60% to 90% of security type held. There is no stated maturity date or interest rate on the PCL. No amounts have been borrowed on the PCL as of June 30, 2025 or 2024.

**NOTE 8 BOARD-DESIGNATED NET ASSETS**

Net assets without donor restrictions also include board-designated net assets to be used for a specific purpose. At June 30, 2025 and 2024, net assets without donor restrictions of approximately \$1,123,000 and \$1,450,000, respectively, were designated for endowment purposes. Earnings on the funds are available for spending annually in accordance with the Organization's spending policy (see Note 15).

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at June 30, 2025 and 2024, have been restricted by the donors for the following purposes:

	<u>2025</u>	<u>2024</u>
Subject to Passage of Time:		
Campaign Contributions Promised or Received in Advance	\$ 327,861	\$ 533,321
Foundation Grants	1,000,000	1,600,000
Donated Facilities Receivable	233,568	249,380
Total Subject to the Passage of Time	<u>1,561,429</u>	<u>2,382,701</u>
Subject to Purpose Restrictions:		
Publix Last Resort Fund	9,401	18,915
United Neighborhoods	700,236	508,796
A Home for All	450,000	425,000
Racial Equity Training	3,685	3,685
Playground Build	10,000	-
Board Training	60,000	1,447
Funder Collaborative	12,500	13,900
Live United Day	50,000	-
Bridge Event	-	17,500
EY Digital Divide	-	21,912
Health Survey	35,000	-
Total Subject to Purpose Restrictions	<u>1,330,822</u>	<u>1,011,155</u>
Endowments:		
Accumulated Earnings on Endowment Assets	476,994	555,985
Giles Endowment	100,000	100,000
Cato Endowment for Education Training Fund	308,505	308,505
McIntyre Legacy Endowment	429,007	429,007
Rutledge Endowment	20,000	20,000
Mattison-Boyd Endowment	707	707
Total Endowments	<u>1,335,213</u>	<u>1,414,204</u>
Total Net Assets with Donor Restrictions	<u>\$ 4,227,464</u>	<u>\$ 4,808,060</u>

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 10 NET ASSETS RELEASED FROM RESTRICTION**

Net assets released from donor restrictions by the expiration of time restrictions or by incurring expenses in satisfaction of purpose restrictions for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Expiration of Time Restrictions:		
Campaign Contributions Promised	\$ 399,381	\$ 461,399
Foundation Grants	700,000	766,666
Donated Facilities Receivable	201,659	9,090
Total Satisfaction of Time Restrictions	1,301,040	1,237,155
Subject to Purpose Restrictions:		
Playground Build	85,000	131,050
Community Organizing Training	-	12,657
Publix Last Resort Fund	9,514	22,248
Coordinated Entry Project	-	45,772
Community Food Security Initiatives	-	59,167
Unite Charlotte	3,312,500	3,312,500
A Home for All	2,285,773	1,086,019
Violence Reduction Contract - SAFE Charlotte	-	55,661
EY Digital Divide	21,912	29,645
Emergency Housing Contract - Emergency Solutions Grant - CARES Act (ESG-CV)	-	123,112
ACORPS (AmeriCorps)	11,570	178,001
Emergency Housing Contract - HOME Investment Partnerships Program - American Rescue Plan (HOME-ARP)	-	2,182,687
United Neighborhoods	1,022,365	1,805,800
Siemer Institute	-	240,000
Racial Equity Training	-	46,077
Other	317,783	94,769
Total Satisfaction of Purpose Restrictions	7,066,417	9,425,165
Total Net Assets Released from Restrictions	\$ 8,367,457	\$ 10,662,320

**NOTE 11 CONCENTRATIONS**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of unsecured campaign contributions promised. The Organization's ability to collect these campaign contributions promised is directly affected by economic conditions in the community from which it draws support. The top five donors contributed approximately 10% and 11% of campaign revenue during the years ended June 30, 2025 and 2024, respectively. The top five donors make up approximately 23% and 9% of the campaign promises to give balances as of June 30, 2025 and 2024, respectively.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 11 CONCENTRATIONS (CONTINUED)**

The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts. The Organization frequently has amounts on deposit in excess of the insured limits. The Organization had approximately \$3,127,000 and \$4,251,000 of cash and cash equivalents in excess of these insured amounts at June 30, 2025 and 2024, respectively.

**NOTE 12 BENEFIT PLAN**

The Organization sponsored a defined contribution plan under which eligible employees may participate. Employees may defer a portion of their annual compensation pursuant to Section 403(b) of the Internal Revenue Code. Upon an eligible employee's completion of minimum service requirements, the Organization matches 100% of each employee's contribution up to a maximum of 3% of eligible compensation. In January 2023, the Organization began participating in a 401(k) plan administered by Ascend, a defined contribution retirement savings plan. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Upon an eligible employee's completion of minimum service requirements, the Organization matches 100% of the first 1% of each employee's contribution and 50% of the next 5% of employee's contributions. The Organization made contributions to these plans of approximately \$125,000 and \$126,000 for the years ended June 30, 2025 and 2024, respectively.

**NOTE 13 LEASES**

The Organization has determined that it has one operating lease that is material to the financial statements, which is included as operating ROU asset and operating lease liability in the accompanying statements of financial position. ROU asset represents the Organization's right to use leased assets over the term of the lease. Lease liability represents the Organization's contractual obligation to make lease payments and are measured at the present value of future lease payments over the lease term.

As of June 30, 2025, maturities of lease liability for the lease is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 209,713
2027	209,713
2028	209,713
2029	209,713
2030	214,686
Thereafter	<u>2,188,776</u>
Total Undiscounted Cash Flows	3,242,314
Less: Present Value Discount	<u>(937,199)</u>
Total	<u><u>\$ 2,305,115</u></u>

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 13 LEASES (CONTINUED)**

The individual lease contract does not provide information about the discount rate implicit in the lease. The Organization uses the risk-free weighted-average borrowing rate of 4.90% and 4.68% as of June 30, 2025 and 2024, respectively, to determine the present value of the future lease payments. Lease term may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Total lease expense for the years ended June 30, 2025 and 2024 was approximately \$219,000 and \$213,000, respectively.

The lease liability will continue to be impacted by new leases, lease modifications, lease terminations, and reevaluations of any new facts and circumstances. As of June 30, 2025, the weighted average lease term remaining that is included in the maturities of the right-of-use lease liabilities is 14.5 years. The weighted average discount rate used for operating lease was 4.90% and 4.68% as of June 30, 2025 and 2024, respectively. The total cash paid for operating leases during the years ended June 30, 2025 and 2024 was approximately \$203,000 and \$195,000, respectively.

The Organization leases office space under a 10-year agreement with Ascend, a nonprofit organization created to construct and maintain an office building (the Building) to house Charlotte nonprofit agencies serving children and families in a central location at an affordable rate. The lease agreement also includes use of certain furniture, storage space, telephone system, computer equipment, and information technology and other collaborative services. The lease expires on January 31, 2029, and is renewable for three additional 10-year periods. Lease payments may be changed at the Ascend's discretion.

The Organization signed an agreement dated October 20, 2020, to lease space with an entity at no cost to the Organization through September 30, 2030. Because the Organization has exclusive use of the space at an amount below fair market value, the Organization recorded a donated facilities receivable and a restricted contribution of approximately \$91,000, the fair value of the space. The donated facilities receivable is amortized to rent expense on a straight-line basis over the life of the lease. The net donated facilities receivable as of June 30, 2025 and 2024 was approximately \$48,000 and \$57,000, respectively.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 14 FAIR VALUE MEASUREMENTS**

The Organization uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. For additional information on how the Organization measures fair value refer to Note 2 – Summary of Significant Accounting Policies. The following tables present the fair value hierarchy for the balances of the assets the Organization measured at fair value on a recurring basis as of June 30:

<u>As of June 30, 2025:</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Mutual Funds	\$ 12,203,148	\$ -	\$ -	\$ 12,203,148
Beneficial Interest in Assets	-	-	2,458,407	2,458,407
Total	<u>\$ 12,203,148</u>	<u>\$ -</u>	<u>\$ 2,458,407</u>	<u>\$ 14,661,555</u>
<u>As of June 30, 2024:</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Mutual Funds	\$ 11,538,400	\$ -	\$ -	\$ 11,538,400
Beneficial Interest in Assets	-	-	2,864,661	2,864,661
Total	<u>\$ 11,538,400</u>	<u>\$ -</u>	<u>\$ 2,864,661</u>	<u>\$ 14,403,061</u>

The Organization has approximately \$14,000 of cash and money market funds included with investments as of June 30, 2025 which is not included in the fair value hierarchy. There were no cash and money market funds included in investments as of June 30, 2024.

During the year ended June 30, 2025 and 2024, there were distributions of approximately \$739,000 and \$45,000, respectively, related to Level 3 financial assets. The Level 3 assets represent a proprietary managed account with underlying assets of cash and cash equivalents, publicly traded common stocks, and bonds and other fixed income instruments. The investment manager reports the fair value of the Organization's interest in the account.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 15 ENDOWMENT FUNDS**

The Organization's endowment consists of several individual funds established for a variety of purposes that are invested at FFTC. The endowment consists of donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

<u>As of June 30, 2025:</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original Donor-Restricted Gift Amount and Amounts			
Required to be Maintained in Perpetuity by Donor	\$ -	\$ 858,219	\$ 858,219
Accumulated Investment Gains	-	476,994	476,994
Board Quasi-Endowments	1,123,194	-	1,123,194
	<u>\$ 1,123,194</u>	<u>\$ 1,335,213</u>	<u>\$ 2,458,407</u>
<u>As of June 30, 2024:</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original Donor-Restricted Gift Amount and Amounts			
Required to be Maintained in Perpetuity by Donor	\$ -	\$ 858,219	\$ 858,219
Accumulated Investment Gains	-	555,985	555,985
Board Quasi-Endowments	1,450,457	-	1,450,457
	<u>\$ 1,450,457</u>	<u>\$ 1,414,204</u>	<u>\$ 2,864,661</u>

The Board of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring, absent explicit donor stipulations to the contrary, that the following amount included in the endowment be classified as net assets with donor restrictions-restricted in perpetuity: a) the original value of gifts donated to the endowment, b) the original value of subsequent gifts to the endowment, and c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not restricted in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA or spent in accordance with the purpose restrictions established by the donor.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowments funds:

1. The duration and preservation of the fund.
2. The purposes of the Organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect on inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policies of the Organization.

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 15 ENDOWMENT FUNDS (CONTINUED)**

FFTC administers the endowed funds of the Legacy Foundation. The board of directors of the Legacy Foundation and ultimately the Organization have adopted investment and spending policies for endowment assets that attempt to provide for a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to produce results that provide an average annual real rate of return, net of fees, equal to or greater than spending, administrative fees, and inflation (Consumer Price Index). Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Legacy Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Legacy Foundation's spending policy allows for appropriating for distribution each year a maximum 5% of the average fair value using the prior 3 years' value at the calendar year-end preceding the fiscal year in which the distribution is planned. This policy is evaluated on an annual basis for prudence. In establishing the spending policy, the expected return on the endowment was taken into consideration. Accordingly, the spending policy is expected to allow the endowment to maintain its purchasing power by growing at a rate equal to planned payouts. Additional real growth will be provided through new gifts and any excess investment return.

Changes in the investment portion of the endowment net assets for the years ended June 30, 2025 and 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, June 30, 2023	\$ 1,346,254	\$ 1,271,971	\$ 2,618,225
Distributions	-	(45,000)	(45,000)
Change in Beneficial Interests in Assets, Net of Expenses	<u>104,203</u>	<u>187,233</u>	<u>291,436</u>
Endowment Net Assets, June 30, 2024	1,450,457	1,414,204	2,864,661
Distributions	(509,774)	(228,934)	(738,708)
Change in Beneficial Interests in Assets, Net of Expenses	<u>182,511</u>	<u>149,943</u>	<u>332,454</u>
Endowment Net Assets, June 30, 2025	<u>\$ 1,123,194</u>	<u>\$ 1,335,213</u>	<u>\$ 2,458,407</u>

**NOTE 16 RELATED PARTY TRANSACTIONS**

The Organization had approximately \$48,000 and \$35,000 in pledges receivable from board members as of June 30, 2025 and 2024, respectively. There were approximately \$165,000 and \$95,000 in contributions from board members during the years ended June 30, 2025 and 2024, respectively.

**ACCOMPANYING INFORMATION**

**UNITED WAY OF GREATER CHARLOTTE, INC.**  
**SCHEDULE OF MANAGEMENT CALCULATION OF OVERHEAD RATE**  
**(NON-GAAP CALCULATION)**  
**YEARS ENDED JUNE 30, 2025 AND 2024**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

The Organization applies its bad debt expense allocation consistently with its functional expense reporting methodology. For the year ended June 30, 2025, this specific bad debt expense was classified as a Management and General Expense, reflecting its nature as an administrative loss related to the general management of the contract and revenue collection processes, as consistent with generally accepted accounting principles (GAAP).

During the year ended June 30, 2025, the Organization recorded a significant, nonrecurring bad debt expense of approximately \$2,457,000 related to a receivable from a government contract. This specific occurrence was largely outside the control of management (see Note 3). Thus, this one-time event has been noted separately for the purposes of the Schedule of Management Calculation of Overhead Rate, in accordance with United Way of America (a non-GAAP overhead cost calculations) to ensure transparency in the reporting of typical, recurring general overhead costs, as follows:

	<u>2025</u>	<u>2024</u>
Total Support, Revenue, and Reclassifications	\$ 15,354,815	\$ 20,926,447
Plus: Current Campaign Year Donor Designations, Net of Provision for Uncollectibles (2022 and 2021 Campaigns, Respectively)	1,707,111	1,182,155
Less: Unrealized Gains on Investments and Beneficial Interest in Assets	<u>(448,489)</u>	<u>(1,467,250)</u>
Total	<u>\$ 16,613,437</u>	<u>\$ 20,641,352</u>
 Total Supporting Services	 \$ 5,883,389	 \$ 3,205,967
Less: Nonrecurring Bad Debt Expenses	(2,457,074)	-
Plus: Investment Expenses	50,759	52,761
Total	<u>\$ 3,477,074</u>	<u>\$ 3,258,728</u>
 Overhead Rate	 <u>20.9%</u>	 <u>15.8%</u>



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.