

United Way of Northeast Georgia, Inc.
(a Georgia not-for-profit corporation)

Audited Financial Statements
with
Independent Auditor's Report

For the year ended
December 31, 2019

Royals & Associates CPA PC
1551 Jennings Mill Rd
Suite 2800-D
Watkinsville, GA 30677-7278

United Way of Northeast Georgia, Inc.

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December 31, 2019

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Independent Auditor's Report

To the Board of Directors
United Way of Northeast Georgia, Inc.
Athens, Georgia

We have audited the accompanying financial statements of United Way of Northeast Georgia, Inc. (a Georgia non-profit corporation) which comprise the statement of financial position for the year ended December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended and the notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these 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 significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Northeast Georgia, Inc. as of December 31, 2019, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink, appearing to read "Roy & Associates CPA PC".

Royals & Associates CPA PC
Watkinsville, Georgia
September 25, 2020

United Way of Northeast Georgia, Inc.
Statement of Financial Position
December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets			
Cash - undesignated	\$ 38,238	\$ -	\$ 38,238
Cash - board designated planned giving	34,192	-	34,192
Cash - restricted 2-1-1 program	-	16,967	16,967
Cash - restricted DPIL program	-	113,673	113,673
Total cash and cash equivalents	72,430	130,640	203,070
Investment - Community Foundation (Note 3)	167,286	73,845	241,131
Receivables			
Pledges receivable, net of allowance (Note 4)	274,693	4,462	279,155
Due from Stephens County	13,600	-	13,600
Total receivables	288,293	4,462	292,755
Total Current Assets	528,009	208,947	736,956
Property and Equipment (Note 5) - net of depreciation	80,575	-	80,575
Other Assets			
Land	25,000	-	25,000
Prepaid expense	1,455	-	1,455
Deposits	150	-	150
Total Other Assets	26,605	-	26,605
	\$ 635,189	\$ 208,947	\$ 844,136
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 14,254	\$ -	\$ 14,254
Agency allocations (Note 8)	554,853	-	554,853
Accrued payroll liabilities	2,218	-	2,218
Line of Credit (Note 9)	50,000	-	50,000
Current portion of long-term debt	9,231	-	9,231
Total Current Liabilities	630,556	-	630,556
Long-term Liabilities			
Long-term debt, net of current portion (Note 10)	16,108	-	16,108
Total Liabilities	646,664	-	646,664
Net Assets			
Without donor restrictions			
Undesignated	(212,953)	-	(212,953)
Designated by board	201,478	-	201,478
Total without donor restrictions (Note 7)	(11,475)	-	(11,475)
With donor restrictions (Note 6)	-	208,947	208,947
Total Net Assets	(11,475)	208,947	197,472
	\$ 635,189	\$ 208,947	\$ 844,136

See independent auditor's report and accompanying notes to the financial statements

United Way of Northeast Georgia, Inc.
Statement of Activities
For the year ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Campaign contributions	\$ 1,594,707	\$ -	\$ 1,594,707
Less provision for uncollectible pledges	(147,612)	-	(147,612)
Administrative fees	13,600	-	13,600
Investment Income	26,252	14,945	41,197
Special events	825	29,431	30,256
Planned giving	10,000	-	10,000
DPIL	-	150,088	150,088
Northeast Georgia 2-1-1 program	-	46,818	46,818
	<u>1,497,772</u>	<u>241,282</u>	<u>1,739,054</u>
Net assets released from restrictions	183,037	(183,037)	-
Total Support	<u>1,680,809</u>	<u>58,245</u>	<u>1,739,054</u>
Expenses			
Northeast GA campaign	1,160,577	-	1,160,577
Planned giving campaign	749	-	749
Dolly Parton's Imagination Library program	108,354	-	108,354
Stephens County campaign	1,106	-	1,106
Women United	7,631	-	7,631
2-1-1 program	78,208	-	78,208
Management and general	59,354	-	59,354
Fundraising expenses	156,505	-	156,505
Total expenses	<u>1,572,484</u>	<u>-</u>	<u>1,572,484</u>
Increase(decrease) in net assets	108,325	58,245	166,570
Net assets at beginning of period	<u>(119,800)</u>	<u>150,702</u>	<u>30,902</u>
Net assets at end of period	<u>\$ (11,475)</u>	<u>\$ 208,947</u>	<u>\$ 197,472</u>

See independent auditor's report and accompanying notes to the financial statements

United Way of Northeast Georgia, Inc.
Statement of Functional Expenses
For the year ended December 31, 2019

Expense Account	Program Services										Total Program Services	Fund-Raising	Management and General	2019 Combined
	Northeast Georgia Campaign	Planned Giving Campaign	Dolly Parton's Imag Lib Program	Stephens County Campaign	Women United Program	2-1-1 Program	Total Program Services	Fund-Raising	Management and General	2019 Combined				
Agency Distributions	\$ 862,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 863,000	\$ -	\$ -	\$ 863,000
Salaries	93,464	-	21,577	-	-	-	21,577	-	-	-	136,618	88,270	27,404	252,292
Payroll Taxes	7,318	-	1,755	-	-	-	1,755	-	-	-	10,828	6,918	1,878	19,624
Day of Caring	2,000	-	-	-	-	-	-	-	-	-	2,000	-	-	2,000
Campaign Expenses	-	-	-	-	-	-	-	-	-	-	-	17,662	-	17,662
Office Expense	1,727	-	-	-	-	-	-	-	-	-	1,727	1,727	1,726	5,180
Corporate Registration Fees	30	-	-	-	-	-	-	-	-	-	30	-	-	30
Postage	-	-	-	-	-	-	-	-	-	-	-	1,490	-	1,490
ATH Housing Redevelopment Strategy	1,500	-	-	-	-	-	-	-	-	-	1,500	-	-	1,500
Dues and Subscriptions	23,306	-	-	-	-	-	-	-	-	-	23,306	6,716	-	30,022
Telephone	1,466	-	-	-	-	-	-	-	-	-	1,466	1,466	1,465	4,397
Contract Labor	20,991	-	-	-	-	-	-	-	-	-	20,991	-	6,462	27,453
Bond & Insurance	3,447	-	-	-	-	-	224	-	-	-	3,671	-	-	3,671
EE Benefit - Group Insurance	17,751	-	-	-	-	-	-	-	-	-	17,751	6,161	2,525	26,437
Utilities	2,564	-	-	-	-	-	-	-	-	-	2,564	-	-	2,564
Condo Association Fees	3,420	-	-	-	-	-	-	-	-	-	3,420	-	-	3,420
EE Benefit - Retirement	10,334	-	-	-	-	-	-	-	-	-	10,334	6,325	1,918	18,577
Repairs & Maintenance	983	-	-	-	-	-	-	-	-	-	983	-	-	983
Computer Expense & Support	5,228	-	-	-	-	-	-	-	-	-	5,228	4,182	1,046	10,456
Legal & Professional	16,250	-	-	-	-	-	-	-	-	-	16,250	-	-	16,250
Finance & Accounting	54,366	-	-	-	-	-	-	-	-	-	54,366	-	-	54,366
Bank Charges	765	-	324	106	-	-	-	-	-	-	1,195	-	-	1,195
Forums, Seminars, & Meetings	2,288	-	-	-	-	-	-	-	-	-	2,288	2,288	2,288	6,864
Travel	-	-	-	-	-	-	-	-	-	-	-	-	5,017	5,017
Design, Ads, & Website	-	-	-	-	-	-	141	-	-	-	141	-	-	141
Interest Expense	2,521	-	-	-	-	-	-	-	-	-	2,521	-	-	2,521
Promotional Expense	-	-	65	-	-	-	281	-	-	-	346	-	-	346
Administrative Fees Paid	-	749	-	-	-	-	1,111	-	-	-	1,860	-	-	1,860
Call Center Monitoring	-	-	-	-	-	-	53,119	-	-	-	53,119	-	-	53,119
Publix Emergency Fund	21,158	-	-	-	-	-	-	-	-	-	21,158	-	-	21,158
DPIL Expense - Books	-	-	84,633	-	-	-	-	-	-	-	84,633	-	-	84,633
Special events	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impact Study	5,700	-	-	-	7,631	-	-	-	-	-	7,631	-	-	7,631
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	-	13,300	-	19,000
Total Expenses	\$ 1,160,577	\$ 749	\$ 108,354	\$ 1,106	\$ 7,631	\$ 78,208	\$ 1,356,625	\$ 156,505	\$ 59,354	\$ 7,625	\$ 1,572,484			

United Way of Northeast Georgia, Inc.
Statement of Cash Flows
For the year ended December 31, 2019

Cash Flows from Operating Activities	
Increase(decrease) in net assets	\$ 166,570
Adjustments to reconcile increase in net assets to cash provided by operating activities	
Depreciation	7,625
Changes in:	
(Increase)decrease in pledges receivable	453,881
(Increase)decrease in investment account	(11,516)
(Increase)decrease in other receivables	(13,600)
(Increase)decrease in other assets	5,777
Increase(decrease) in payables and accrued liabilities	(595,272)
Unrealized gain on investments	(27,195)
Net Cash Used by Operating Activities	<u>(13,730)</u>
Cash Flows from Investing Activities	
Cash withdrawn from investment account	15,000
Net Cash Provided by Investing Activities	<u>15,000</u>
Cash Flows from Financing Activities	
Repayment of principal	(8,737)
Net change in Line of Credit balance	(726)
Net Cash Used by Financing Activities	<u>(9,463)</u>
Net Increase(decrease) in Cash and Cash Equivalents	(8,193)
Cash and Cash Equivalents at Beginning of Period	<u>211,263</u>
Cash and Cash Equivalents at End of Period	<u><u>\$ 203,070</u></u>

Supplemental Disclosures:

Interest paid	<u><u>\$ 2,521</u></u>
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United Way of Northeast Georgia, Inc.
Notes to Financial Statements
December 31, 2019

Note 1 - Organization and Nature of Operations

The mission of the United Way of Northeast Georgia, Inc. is to motivate and mobilize resources to meet the highest priority needs of the people living in Northeast Georgia. The organization envisions a region where every man, woman, and child has access to quality education, financial stability, and a healthy lifestyle. This is accomplished through annual fund drives for the benefit of approved agencies. United Way of Northeast Georgia, Inc. is exempt from federal and state income taxation under Section 501(c)(3) of the Internal Revenue Code.

Northeast Georgia Campaign

Organized in 1952, the United Way of Northeast Georgia, Inc. serves thirteen counties of Northeast Georgia.

Stephens County Campaign

The United Way of Northeast Georgia, Inc. is responsible for the annual fund drive and financial management of the United Way activities of Stephens County, Georgia. The Stephens County advisory board makes local recommendations to the Board of Directors of the United Way of Northeast Georgia. The agreement can be cancelled if either party gives a six month notice. The two parties agreed to end the agreement effective December 31, 2019.

Planned Giving

A planned gift to United Way of Northeast Georgia is a contribution that is arranged in the present and allocated at a future date. Commonly donated through a will or trust, planned gifts are most often granted once the donor has passed away.

2-1-1 Program

The 2-1-1 program helps build local community capacity through streamlining the process for giving and receiving help. The service covers 15 counties in the Northeast Georgia region. 2-1-1 service delivery includes database development and maintenance, resource development, community outreach and marketing of 2-1-1, and supervision of 2-1-1 volunteers. This department works closely with the United Way of Greater Atlanta's 2-1-1 database manager, service providers, community members, key community leaders, and investors to support the accessibility of quality information and referral to Northeast Georgia.

Dolly Parton's Imagination Library

Dolly Parton's Imagination Library (DPIL) is an early childhood literacy program focused on instilling a love of reading in young children and preparing those children for kindergarten. The program sends one, free and age-appropriate book to children ages 0-5 in Clarke County and Oconee County, GA. Parent engagement tips are provided on the inside flap of each book. Families in our program receive monthly e-newsletters with further reading tips and information on local literacy events.

Note 2 - Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities.

United Way of Northeast Georgia, Inc.
Notes to Financial Statements
December 31, 2019

Note 2 - Significant Accounting Policies (continued)

Financial Statement Basis of Presentation

The Organization follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 958, *Not-For-Profit Entities*, which establishes external reporting standards of not-for-profit organizations. Under ASC 958, ASU 2014-16, which became effective for tax years beginning after December 15, 2017, net assets are required to be reported in two classes: net assets with donor restrictions and net assets without donor restrictions.

1. Net assets without donor restrictions - Net assets which are free of donor imposed restrictions. The board of directors has discretionary power over these resources. Board designated amounts represent those net assets the board has set aside for a particular purpose.
2. Net assets with donor restrictions - Net assets resulting from contributions, reclassification and other inflow of assets whose use by the organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of the organization.

Use of Estimates

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

Cash and Cash Equivalents

The Organization considers cash on hand, cash in bank, certificates of deposit, and all short-term investments with maturity dates of three months or less when purchased to be cash and cash equivalents.

New Accounting Pronouncements

For periods beginning after December 15, 2017, ASU 2016-14 became effective for presentation of financial statements for not-for-profit organizations. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU 2016-14 has been applied retrospectively for all periods presented and the United Way has adjusted the presentation of these statements accordingly.

Income Tax

The Organization is a not-for-profit corporation, which is tax-exempt under Section 501(c)(3) of the Internal Revenue Code (IRC), whereby only unrelated business income, as defined by IRC Section 512(a)(1) is subject to federal income tax. The Organization had no unrelated business income subject to taxes for the year ended December 31, 2019.

United Way of Northeast Georgia, Inc.
Notes to Financial Statements
December 31, 2019

Note 2 - Significant Accounting Policies (continued)

In addition, the Organization qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under IRC Section 509(a)(2). The determination letter of tax exempt status by the Internal Revenue Service was dated April 1965.

The Organization has evaluated its uncertain tax positions as required by FASB ASC 740-10 (FIN 48), *Accounting for Uncertainty in Income Taxes*, and finds no uncertainties or tax contingencies that require disclosure. The Organization's Form 990, *Return of an Organization Exempt From Income Tax*, are subject to examination by the Internal Revenue Service generally for a three year period after filing. The three prior periods remain open for routine examination.

Investments

The Organization follows the FASB ASC 958, *Not-For-Profit Entities*, which establishes external reporting standards for not-for-profit organizations. Standards for accounting for investments in equity securities and debt instruments are contained in FASB ASC 958-320, *Investments-Debt and Equity Securities*. Investments are stated at fair value. The fair value of debt securities and marketable equity securities are based on quoted market prices at the date of the financial statements. The investments are subject to various risks such as interest rate, credit and overall market volatility, which may substantially affect the value of the investments. Investments are stated at their current market value at December 31, 2019.

Investment - Beneficial Interest in Funds Held by Others - Athens Area Community Foundation

Beneficial interests in assets held by others represent investments held by the Athens Area Community Foundation (AACF) which are comprised of pooled accounts. Pooled accounts are comprised of broad asset category types including bond funds, mutual funds and cash equivalents. The underlying holdings are based on unadjusted quoted market prices. Realized and unrealized gains and losses are included in the accompanying statement of activities and changes in net assets as investment income or loss.

Fair Value of Financial Instruments

The Organization adopted the provisions of FASB ASC 820, *Fair Value Measurements and Disclosure*. FASB ASC 820 defines fair value and establishes a hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets that may include quoted prices for similar assets or liabilities or other inputs which are corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Contributions - Public Support

Contributions represent public support and are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions received are recorded as unrestricted or restricted depending on the existence and/or nature of donor restrictions. When a restriction expires, restricted net assets are reclassified to unrestricted net assets. The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on management's experience in prior years and management's analysis of specific promised to give.

United Way of Northeast Georgia, Inc.
Notes to Financial Statements
December 31, 2019

Note 2 - Significant Accounting Policies (continued)

Campaign results may include:

Unrestricted local campaign pledges and donations.

Local campaign pledges restricted by donors to another not for profit agency or other United Way (referred to as donor choice).

Campaign pledges from other United Ways designated to United Way of Northeast Georgia.

Donor designated amounts raised on behalf of others restricted to support agencies not supported by United Way of Northeast Georgia (referred to as donor choice).

Campaign Pledges Receivable

Annual campaign pledges are generally available for unrestricted use in the related campaign year. Pledges receivable are valued at the amount pledges less an allowance for estimated uncollectible amounts. The allowance is \$261,342 at December 31, 2019. All pledges are receivable during the annual fund drive period of one year. Campaign pledges outstanding after two years are written off as a charge against allowance for uncollectible pledges. (Note 4)

Depreciation

Property and equipment are stated at cost if purchased and at fair value at the date of donation if donated. The cost of buildings and equipment are charged against income over their estimated useful lives using the straight line method of depreciation (primarily 30 years for building and improvements and five years for furniture and equipment). Repair and maintenance costs, which are not considered improvements and do not extend the useful life of property and equipment, are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the asset and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the statement of activities. (Note 5)

Contributed Services

The Organization follows the provisions of FASB ASC 958, *Not-For-Profit Entities*, which indicates recognition of contributed services should be recognized only if the service creates or enhances a non-financial asset or the service provides specialized skills that would need to be purchased if not provided by donation. Accordingly, no contributions for volunteer services are recognized in the statement of activities.

Management estimates that volunteers contributed approximately 6,000 hours during the year ended December 31, 2019. The fair value of these services represents a significant contribution to the Organization that is not recognized on the statement of activities. Based on the latest Bureau of Labor statistics and the information furnished to not-for-profit organizations by the Independent Sector, the hourly value of volunteer time in Georgia is \$25.78 per hour. The resulting value of volunteer time to the Organization would approximate a contribution of \$154,680.

United Way of Northeast Georgia, Inc.
Notes to Financial Statements
December 31, 2019

Note 2 - Significant Accounting Policies (continued)

Agency Allocations

Amounts which have allocated to specific agencies in the current fiscal year but have not been disbursed as of December 31, 2019 are accrued and reflected in the accompanying statement of financial position as "Agency Allocations." Amounts committed for periods after year end are subject to further review and approval by the United Way Board and the availability of funding. Accordingly, such amounts are reflected as a liability as of year end. Donor choice funds are paid separately and are included in "Agency Allocations" if not paid by year end. (Note 8)

Functional Expenses Allocation

The cost of providing various programs, services and other activities have been summarized and categorized on a functional basis in the accompanying statement of activities and the statement of functional expenses as either program services or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. However, certain expenses relate to more than one function and are allocated between program and supporting services based on estimates made by management.

Compensated Absences

Employees of the Organization are entitled to paid vacation and personal days off, depending on job classification, length of service and other factors. It is not practical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the cost of compensation when actually paid to employees.

Statement of Cash Flows

The statement of cash flows is intended to reflect only receipt and payment activities arising from cash transactions. The statement of cash flows does not reflect immaterial non-cash investing activities.

Note 3 - Funds Held by Others

Investments held at Athens Area Community Foundation, as noted in the summary of significant accounting policies (Note 2), are pooled with other organization's funds and invested in diversified portfolios of marketable equity and fixed income securities. The underlying assets at the Athens Area Community Foundation are measured at fair value using Level 1 inputs. The Organization's ownership in the investments is represented by undivided interest in the investment portfolios managed by the community foundation and not in the underlying assets themselves. The fair market value of the Organization's interests have been determined using the net asset value method (NAV). The NAV is based on the value of the underlying assets, minus any liabilities, and then divided by the number of interests outstanding. The undivided interests are not themselves publicly traded.

United Way of Northeast Georgia, Inc.
Notes to Financial Statements
December 31, 2019

Note 3 - Funds Held by Others (continued)

The investments are stated at their current market values at December 31, 2019 and consist of the following:

Planned Giving Funds	\$	167,286
2-1-1		73,845
		\$ 241,131

Investment returns of the year ended December 31, 2019 consist of the following:

Interest and dividends	\$	10,833
Realized gain on investments		2,544
Unrealized appreciation on investments		27,195
		\$ 40,572

Note 4 - Pledges Receivable

Pledges receivable at December 31, 2019 are expected to be collected as follows:

	Gross Pledges Receivable	Allowance for Uncollectible Amounts	Net Pledges Receivable
Pledges receivable	\$ 540,497	\$ 261,342	\$ 279,155

The United Way of Northeast Georgia conducts its annual campaign in the last quarter of each calendar year to raise support for allocations to participating agencies in the subsequent fiscal year. Campaign pledges are unconditional promises to give and are recorded in the year the promise is made. The pledges are recorded at fair value at the date of the pledge. Pledges outstanding for longer than two years are written-off as uncollectible.

The allowance for uncollectible pledges is an estimate based on management's knowledge of historical pledge collection rates. The allowance for the current year campaign is calculated as a percentage of pledges revenue generated by the campaign. In addition, an allowance for prior year campaign pledges not collected is made based on management's knowledge and estimate of uncollectible amounts.

Note 5 - Property and Equipment

The following is a summary of depreciable assets as of December 31, 2019:

Office Condominium	\$	142,474
Equipment and furniture		106,607
		249,081
Less: accumulated depreciation		(168,506)
Net book value of fixed assets		\$ 80,575

Of the accumulated depreciation above, \$7,625 was charged to supporting services for the year ended December 31, 2019.

United Way of Northeast Georgia, Inc.
Notes to Financial Statements
December 31, 2019

Note 6 - Donor Restricted Net Assets

Donor restricted net assets consists of the following at December 31, 2019:

Purpose restricted cash	\$	130,640
Purpose restricted receivables		4,462
Purpose restricted investments		73,845
Total donor restricted net assets	\$	<u>208,947</u>

Note 7 - Net Assets Without Donor Restrictions

Assets without donor restrictions consists of the following at December 31, 2019:

Designated by the board for:		
Purpose designated cash	\$	34,192
Purpose designated investments		167,286
Undesignated		(212,953)
Total net assets without donor restrictions	\$	<u>(11,475)</u>

Note 8 - Agency Allocations

Agency allocations are commitments of support to other agencies during the next twelve months following the year ended December 31, 2019. The commitments are presented as liabilities on the statement of functional expenses and are subject to further review and board approval and availability of funds. Agency allocations consist of the following at December 31, 2019:

Northeast Georgia		
ABHS Custom Industries	\$	5,000
ABHS Fine Finish		15,767
ABHS Jackson Creative		11,000
Action Inc., Full Plate		16,000
American Red Cross of Northeast Georgia		38,333
Athens Community Council on Aging		48,000
Athens Neighborhood Health Center		12,167
Boys & Girls Club - Winder		17,333
Boys & Girls Club of Athens		41,667
Extra Special People		24,133
Family Counseling Service of Athens		42,667
Food Bank of Northeast Georgia		16,667
Girl Scouts of Historic GA		9,000
Harmony House		4,333
Hope Haven		42,233
Madison-Morgan Co. Caring Place		2,000
Northeast Georgia Boy Scouts		22,167

United Way of Northeast Georgia, Inc.
Notes to Financial Statements
December 31, 2019

Note 8 - Agency Allocations (continued)

Oglethorpe Senior Center		6,667
Prevent Child Abuse Athens		17,667
Project ADAM		25,000
Project Safe		21,366
Reins of Life		12,500
Salvation Army		42,000
The Cottage Sexual Assault & Child Advocacy Center		17,333
The Tree House		16,000
YWCO Girls Club		20,000
Total Northeast Georgia	\$	547,000
Stephens County		7,853
Total Agency Allocations	\$	554,853

Note 9 - Advance on Line of Credit

On November 7, 2018 the Organization established a \$50,000 line of credit with Synovus Bank & Trust to provide funds for working capital. The line of credit is renewable annually. At December 31, 2019 the interest rate is 5% and the principal balance outstanding was \$50,000.

Note 10 - Long-term Debt

The Organization is liable for a mortgage note to Synovus Bank payable in monthly installments of \$843 including interest at a fixed rate of 4.5%. The loan is secured by real estate. Outstanding Principal as December 31, 2019 is \$25,339.

Summary of maturity of long-term debt:

For the year ended December 31, 2020	\$	9,231
For the year ended December 31, 2021		9,624
For the year ended December 31, 2022		6,484
For the year ended December 31, 2023		-
For the year ended December 31, 2024		-
Thereafter		-
	\$	25,339

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Note 11 - Retirement Plans

The Organization adopted a retirement plan effective January 1, 1992. The plan is a SEP Thrift retirement plan funded entirely by the employer. Contributions made by the employer are based on 7% of the gross wages of the participants. Investments are placed in Mutual of America's Interest Accumulated Fund at an interest rate set by Mutual of America. Employer contributions totaled \$18,577 during 2019.

Note 12 - Concentrations and Risk

The Organization maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000 per account. Management periodically reviews the financial condition of the financial institutions to reduce the credit risk associated with cash deposits. Management considers the risk associated with the financial institution to be minimal.

Note 13 - Liquidity, Availability and Reserves of Funds Management

To improve the understanding of an organization's liquidity and how the assets are being managed, ASU 3016-14 requires organizations to disclose information about the liquidity of assets and the short-term demands on those assets. The following reflects the organization's financial assets at the balance sheet date reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets, at year-end	\$	736,956
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions		
Purpose restricted by donor		(208,947)
Board designations		
Purpose restricted by board		(201,478)
Financial assets available to meet cash needs for general expenditures within one year at December 31, 2019.	\$	<u>326,531</u>

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

Note 14 - Subsequent Events

Management has evaluated subsequent events through September 25, 2020, which is the date the financial statements were available to be issued. As of this date, there are no material subsequent events that require adjustment to or disclosure in the financial statements for the year ended December 31, 2019.