

UNITED WAY OF NORTHEAST GEORGIA, INC.

FINANCIAL REPORT

DECEMBER 31, 2020

UNITED WAY OF NORTHEAST GEORGIA, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	2-3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5-6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8-17

ROBERT BAKER and ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence 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, 2020, 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.

ROBERT BAKER and ASSOCIATES



Certified Public Accountants
Albany, Georgia
June 23, 2021

UNITED WAY OF NORTHEAST GEORGIA, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

ASSETS

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
CURRENT ASSETS			
Cash - Undesignated	\$ 471,167	\$ -	\$ 471,167
Cash - Board Designated Planned Giving	34,265	-	34,265
Cash - Restricted WU Program	-	12,382	12,382
Cash - Restricted 211 Program	-	16,436	16,436
Cash - Restricted DPIL Program	-	82,834	82,834
Total Cash and Cash Equivalents	<u>\$ 505,432</u>	<u>\$ 111,652</u>	<u>\$ 617,084</u>
INVESTMENTS - Community Foundation (Note 3)	<u>\$ 198,955</u>	<u>\$ 87,094</u>	<u>\$ 286,049</u>
RECEIVABLES			
Pledges Receivable, Net of Allowance (Note 4)	\$ 164,171	\$ 3,891	\$ 168,062
Due from Stephens County	12,738	-	12,738
Total Receivables	<u>\$ 176,909</u>	<u>\$ 3,891</u>	<u>\$ 180,800</u>
Total Current Assets	<u>\$ 881,296</u>	<u>\$ 202,637</u>	<u>\$ 1,083,933</u>
PROPERTY AND EQUIPMENT			
Equipment and Furniture, Net of Accumulated Depreciation (Note 5)	<u>\$ 80,380</u>	<u>\$ -</u>	<u>\$ 80,380</u>
OTHER ASSETS			
Land	\$ 25,000	\$ -	\$ 25,000
Prepaid expense	2,217	-	2,217
Deposits	150	-	150
Total Other Assets	<u>\$ 27,367</u>	<u>\$ -</u>	<u>\$ 27,367</u>
TOTAL ASSETS	<u><u>\$ 989,043</u></u>	<u><u>\$ 202,637</u></u>	<u><u>\$ 1,191,680</u></u>

UNITED WAY OF NORTHEAST GEORGIA, INC.

STATEMENT OF FINANCIAL POSITION - CONTINUED

DECEMBER 31, 2020

LIABILITIES AND NET ASSETS

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
CURRENT LIABILITIES			
Accounts Payable	\$ 19,631	\$ -	\$ 19,631
Agency Allocations	300,000	-	300,000
UW EE Pledge Payable	311	-	311
Current Portion of Long-Term Debt	9,624	-	9,624
Total Current Liabilities	<u>\$ 329,566</u>	<u>\$ -</u>	<u>\$ 329,566</u>
LONG-TERM DEBT			
Long-Term Debt, Less Current Maturities	<u>\$ 6,576</u>	<u>\$ -</u>	<u>\$ 6,576</u>
TOTAL LIABILITIES	<u>\$ 336,142</u>	<u>\$ -</u>	<u>\$ 336,142</u>
NET ASSETS			
Without Donor Restrictions:			
Undesignated	\$ 419,681	\$ -	\$ 419,681
Designated by Board	233,220	-	233,220
Total Without Donor Restrictions (Note 7)	<u>\$ 652,901</u>	<u>\$ -</u>	<u>\$ 652,901</u>
With Donor Restrictions: (Note 6)	-	202,637	202,637
Total Net Assets	<u>\$ 652,901</u>	<u>\$ 202,637</u>	<u>\$ 855,538</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 989,043</u>	<u>\$ 202,637</u>	<u>\$ 1,191,680</u>

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

UNITED WAY OF NORTHEAST GEORGIA, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT			
Campaign Contributions	\$ 1,512,256	\$ -	\$ 1,512,256
Less: Provisions For Uncollectible Pledges	(145,260)	-	(145,260)
Investment Income	32,692	14,459	47,151
Special Events	-	8,823	8,823
DPIL	-	72,332	72,332
Northeast Georgia 211 Program	-	44,672	44,672
	<u>\$ 1,399,688</u>	<u>\$ 140,286</u>	<u>\$ 1,539,974</u>
Net Assets Released From Restrictions	143,785	(143,785)	-
	<u>\$ 1,543,473</u>	<u>\$ (3,499)</u>	<u>\$ 1,539,974</u>
TOTAL SUPPORT			
EXPENSES			
Northeast Georgia Campaign	\$ 596,073	\$ -	\$ 596,073
Planned Giving Campaign	836	-	836
Dolly Parton's Imagination Library Program	95,644	-	95,644
Women's United Program	1,078	-	1,078
211 Program	45,494	-	45,494
Management and General	45,563	-	45,563
Fundraising Expenses	158,220	-	158,220
	<u>\$ 942,908</u>	<u>\$ -</u>	<u>\$ 942,908</u>
TOTAL EXPENSES			
NON-OPERATING INCOME			
Paycheck Protection Program (PPP) Proceeds	\$ 61,000	\$ -	\$ 61,000
	<u>\$ 661,565</u>	<u>\$ (3,499)</u>	<u>\$ 658,066</u>
CHANGE IN NET ASSETS			
	<u>\$ 661,565</u>	<u>\$ (3,499)</u>	<u>\$ 658,066</u>
NET ASSETS-BEGINNING OF YEAR	<u>(11,475)</u>	<u>208,947</u>	<u>197,472</u>
NET ASSETS-END OF YEAR	<u><u>\$ 650,090</u></u>	<u><u>\$ 205,448</u></u>	<u><u>\$ 855,538</u></u>

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

UNITED WAY OF NORTHEAST GEORGIA

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

	PROGRAM SERVICES						TOTAL PROGRAM SERVICES	MANAGEMENT	2020
	NORTHEAST GEORGIA CAMPAIGN	PLANNED GIVING	DOLLY'S IMAG LIB PROGRAM	WOMEN'S UNITED PROGRAM	211 PROGRAM				
EXPENSES ACCOUNT	\$	\$	\$	\$	\$	\$	\$	\$	\$
Agency Distributions	300,000	-	-	-	-	300,000	-	-	300,000
Salaries	117,007	-	-	-	-	117,007	105,007	32,507	254,521
Payroll Taxes	9,029	-	-	-	-	9,029	7,894	2,201	19,124
Day of Caring	1,487	-	-	-	-	1,487	-	-	1,487
Campaign Expenses	-	-	-	-	-	-	8,794	-	8,794
Office Expense	113	-	31	-	-	144	112	112	368
Corporate Registration Fees	30	-	-	-	-	30	-	-	30
Postage	-	-	-	-	-	-	1,892	-	1,892
Dues and Subscriptions	24,008	-	-	-	-	24,008	2,082	-	26,090
Telephone	989	-	-	-	-	989	752	158	1,899
Donation Tracking	12,979	-	-	-	-	12,979	12,979	-	25,958
Bond & Insurance	3,526	-	-	-	224	3,750	-	-	3,750
EE Benefit - Group Insurance	15,916	-	-	-	-	15,916	12,009	2,529	30,454
Utilities	1,555	-	-	-	-	1,555	-	-	1,555
Condo Association Fees	3,420	-	-	-	-	3,420	-	-	3,420
EE Benefit - Retirement	3,242	-	-	-	-	3,242	2,910	902	7,054
Repairs & Maintenance	1,947	-	-	-	-	1,947	-	-	1,947
Computer Expense & Support	3,460	-	-	-	-	3,460	2,629	553	6,642
New Technology (e-Cimpact)	6,151	-	-	-	-	6,151	-	-	6,151
Legal & Professional	15,500	-	-	-	-	15,500	-	-	15,500
Finance & Accounting	53,255	-	-	-	-	53,255	-	-	53,255
Bank Charges	524	-	-	-	-	524	-	-	524
Forums, Seminars, & Meetings	322	-	-	-	-	322	322	322	966
Travel	-	-	-	-	-	-	838	838	1,676
Design, Ads, & Website	-	-	-	-	7,297	7,297	-	-	7,297
Interest Expense	1,480	-	-	-	-	1,480	-	-	1,480

UNITED WAY OF NORTHEAST GEORGIA

STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the Year Ended December 31, 2020

EXPENSES ACCOUNT	PROGRAM SERVICES					TOTAL PROGRAM SERVICES	MANAGEMENT	2020
	NORTHEAST GEORGIA CAMPAIGN	PLANNED GIVING	DOLLY'S IMAG LIB PROGRAM	WOMEN'S UNITED PROGRAM	211 PROGRAM			
Administrative Fees Paid	-	836	-	-	1,145	1,981	-	1,981
Call Center Monitoring	-	-	-	-	36,828	36,828	-	36,828
Publix Emergency Fund	16,695	-	-	-	-	16,695	-	16,695
DPIL Expense - Books	-	-	95,613	-	-	95,613	-	95,613
Special events	-	-	-	1,078	-	1,078	-	1,078
Impact Study	3,438	-	-	-	-	3,438	-	3,438
Depreciation and Amortization	-	-	-	-	-	-	5,441	5,441
TOTAL EXPENSES	\$ 596,073	\$ 836	\$ 95,644	\$ 1,078	\$ 45,494	\$ 739,125	\$ 158,220	\$ 942,908

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

UNITED WAY OF NORTHEAST GEORGIA, INC.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 658,066
Adjustments to Reconcile Increase in Net Assets to Cash Provided by Operating Activities:	
Depreciation	5,441
Changes in Assets and Liabilities:	
Decrease in Pledges Receivables	111,093
Increase in Investment Account	(44,918)
Decrease in Due from Stephens County	862
Increase in Other Assets	(762)
Increase in Accounts Payable	5,377
Decrease in Agency Allocations	(254,853)
Decrease in Accrued Expenses	<u>(1,907)</u>
NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	<u>\$ 478,399</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Property and Equipment	<u>\$ (5,246)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (5,246)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Line of Credit	\$ (50,000)
Principal Payments on Long-Term Debt	<u>(9,139)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>\$ (59,139)</u>
INCREASE (DECREASE) IN CASH	\$ 414,014
CASH-BEGINNING OF YEAR	<u>203,070</u>
CASH-END OF YEAR	<u><u>\$ 617,084</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION	
Cash paid for:	
Interest	<u><u>\$ 1,480</u></u>

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

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 twelve counties of Northeast Georgia.

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.

211 Program

The 211 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. 211 service delivery includes database development and maintenance, resource development, community outreach and marketing of 211, and supervision of 211 volunteers. This department works closely with the United Way of Greater Atlanta's 211 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 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities. Revenues are recorded when earned and expenses are recorded when incurred.

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

NET ASSETS

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions - Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions - Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

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.

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, 2020.

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.

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

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 the United Way of Northeast Georgia, Inc. (referred to as donor choice).

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 \$142,745 at December 31, 2020. 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 1,085 hours during the year ended December 31, 2020. 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 \$27.20 per hour. The resulting value of volunteer time to the Organization would approximate a contribution of \$29,512.

AGENCY ALLOCATIONS

Amounts which have allocated to specific agencies in the current fiscal year but have not been disbursed as of December 31, 2020 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)

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

The investments are stated at their current market values at December 31, 2020 and consist of the following:

Planned Giving Funds	\$	198,955
211		<u>87,094</u>
	\$	<u>286,049</u>

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - FUNDS HELD BY OTHERS - CONTINUED

Investment returns of the year ended December 31, 2020 consist of the following:

Interest and Dividends	\$	7,930
Realized Loss on Investments		(29)
Unrealized Gain on Investments		39,251
		<u>39,251</u>
	<u>\$</u>	<u>47,152</u>

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable at December 31, 2020 are expected to be collected as follows:

	<u>Gross Pledges Receivable</u>	<u>Allowance for Uncollectible Amounts</u>	<u>Net Pledges Receivable</u>
Pledges Receivable	<u>\$ 310,807</u>	<u>\$ 142,745</u>	<u>\$ 168,062</u>

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.

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PROPERTY AND EQUIPMENT

The following is a summary of depreciable assets as of December 31, 2020:

	December 31, 2019	Additions	Deletions	December 31, 2020
Office Condominium	\$ 142,474	\$ -	\$ -	\$ 142,474
Equipment and Furniture	106,607	5,247	-	111,854
	<u>\$ 249,081</u>	<u>\$ 5,247</u>	<u>\$ -</u>	<u>\$ 254,328</u>
Less: Accumulated Depreciation	(168,506)	(5,442)	-	(173,948)
Total Assets	<u>\$ 80,575</u>	<u>\$ (195)</u>	<u>\$ -</u>	<u>\$ 80,380</u>

Of the accumulated depreciation above, \$5,442 was charged to supporting services for the year ended December 31, 2020.

NOTE 6 - DONOR RESTRICTED NET ASSETS

Donor restricted net assets consists of the following at December 31, 2020:

Purpose Restricted Cash	\$ 111,652
Purpose Restricted Receivables	3,891
Purpose Restricted Investments	<u>87,094</u>
Total Donor Restricted Net Assets	<u>\$ 202,637</u>

NOTE 7 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Assets without donor restrictions consists of the following at December 31, 2020:

Designated by the Board for:	
Purpose Designated Cash	\$ 34,265
Purpose Designated Investments	198,955
Undesignated	<u>419,681</u>
Total Net Assets Without Donor Restrictions	<u>\$ 652,901</u>

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 - AGENCY ALLOCATIONS

Agency allocations are commitments of support to other agencies during the next twelve months following the year ended December 31, 2020. 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, 2020:

Northeast Georgia Campaign	
ACC Sane, Inc.	\$ 10,000
Area Committee to Improve Opportunities Now, Inc.	10,000
Athens Area Homeless Shelter, Inc.	13,000
Athens Community Council on Aging, Inc.	15,000
Athens Land Trust, Inc.	8,000
Books for Keeps	15,000
Boys & Girls Club of Athens, Inc.	10,000
Chess & Community Conference, Inc.	5,000
Children First, Inc.	20,000
College Factory, Inc.	5,000
Friends of Advantage, Inc.	19,000
Goodwill of North Georgia, Inc.	30,000
Interfaith Hospitality Network of Athens, Inc.	5,000
Mountain Circuit Court Appointed Special Advocates, Inc.	18,000
New Path 1010, Inc.	5,000
Northeast Georgia Regional Commission	25,000
Prevent Child Abuse Athens, Inc.	45,000
Project Safe, Inc.	15,000
Quality Care for Children, Inc.	12,000
Tree House, Inc.	5,000
Young Women's Christian Organization of Athens Georgia, Inc.	10,000
	<hr/>
Total Agency Allocations	<u>\$ 300,000</u>

NOTE 9 - ADVANCE ON LINE OF CREDIT

On November 7, 2018, the Organization established a \$50,000 line of credit with Synovus Bank to provide funds for working capital. The line of credit is renewable annually. At December 31, 2020 the interest rate is 4.5% and the principal balance outstanding was \$0.

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

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 and is set to mature in August 2022. The outstanding principal as of December 31, 2020 is \$16,200.

Aggregate maturities required on long-term debt at December 31, 2020 are due in future years as follows:

2021	\$	9,624
2022		<u>6,576</u>
Total	\$	<u>16,200</u>

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 \$7,054 for the year ended December 31, 2020.

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.

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13- LIQUIDITY, AVAILABILITY AND RESERVES OF FUNDS MANAGEMENT - CONTINUED

Financial Assets, at Year-End	\$ 1,083,933
Less: Those Unavailable for General Expenditures Within One Year, Due To:	
Contractual or Donor-Imposed Restrictions:	
Purpose Restricted by Donor	(202,637)
Board Designations:	
Purpose Restricted by Board	<u>(233,220)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year at December 31, 2020	<u>\$ 648,076</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- FORGIVENESS OF DEBT INCOME

The Organization participated in the Paycheck Protection Program ("PPP") established under the CARES Act of 2020. On April 3, 2020, the Organization applied for and received a loan in the amount of \$61,000 from Synovus Bank. The loan was fully guaranteed by the U.S. Small Business Administration ("SBA"), had a term of two years, and an interest rate of 1%. The proceeds from the loan were spent on eligible expenses within the covered period, as defined in the PPP. On November 4, 2020, the SBA paid off the loan to Synovus Bank in full, which results in forgiveness of debt income to the Organization. The Organization has recognized \$61,000 in Non-Operating Income on its Statement of Activities for the year ending December 31, 2020.

NOTE 15- UNCERTAINTIES

As a result of the COVID-19 coronavirus pandemic, economic uncertainties have arisen that could negatively impact the Organization. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization's clients, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.

NOTE 16- SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 23, 2021, 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, 2020.