

UNITED WAY OF NORTHEAST GEORGIA, INC.

FINANCIAL REPORT

DECEMBER 31, 2021

UNITED WAY OF NORTHEAST GEORGIA, INC.

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ROBERT BAKER  
& ASSOCIATES, CPAs

## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

We have audited the accompanying financial statements of United Way of Northeast Georgia, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021, 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 United Way of Northeast Georgia, Inc. as December 31, 2021, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Northeast Georgia, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 United Way of Northeast Georgia, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's 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 auditor's 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 generally accepted 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 generally accepted 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 United Way of Northeast Georgia, Inc.'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 United Way of Northeast Georgia, Inc.'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.

ROBERT BAKER & ASSOCIATES, CPAs

A handwritten signature in black ink that reads "ROBERT BAKER AND ASSOCIATES". The signature is written in a cursive, flowing style.

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Certified Public Accountants  
Albany, Georgia  
June 29, 2022

UNITED WAY OF NORTHEAST GEORGIA, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2021

	ASSETS		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>CURRENT ASSETS</b>			
Cash - Undesignated	\$ 971,743	\$ -	\$ 971,743
Cash - Board Designated Planned Giving	26,243	-	26,243
Cash - Restricted 211 Program	-	20,178	20,178
Cash - Restricted DPIL Program	-	15,815	15,815
Total Cash	<u>\$ 997,986</u>	<u>\$ 35,993</u>	<u>\$ 1,033,979</u>
INVESTMENTS - Community Foundation (Note 3)	<u>\$ 263,295</u>	<u>\$ 97,189</u>	<u>\$ 360,484</u>
<b>RECEIVABLES</b>			
Pledges Receivable, Net of Allowance (Note 4)	\$ 1,314	\$ -	\$ 1,314
Employee Retention Credit	34,860	-	34,860
Total Receivables	<u>\$ 36,174</u>	<u>\$ -</u>	<u>\$ 36,174</u>
Total Current Assets	<u>\$ 1,297,455</u>	<u>\$ 133,182</u>	<u>\$ 1,430,637</u>
<b>PROPERTY AND EQUIPMENT</b>			
Land	\$ 25,000	\$ -	\$ 25,000
Building, Equipment, and Furniture			
Net of Accumulated Depreciation (Note 5)	76,624	-	76,624
Total Property and Equipment	<u>\$ 101,624</u>	<u>\$ -</u>	<u>\$ 101,624</u>
<b>OTHER ASSETS</b>			
Prepaid Expenses	\$ 2,963	\$ -	\$ 2,963
Life Insurance Cash Value	19,269	-	19,269
Deposits	150	-	150
Total Other Assets	<u>\$ 22,382</u>	<u>\$ -</u>	<u>\$ 22,382</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,421,461</u></u>	<u><u>\$ 133,182</u></u>	<u><u>\$ 1,554,643</u></u>

UNITED WAY OF NORTHEAST GEORGIA, INC.

STATEMENT OF FINANCIAL POSITION - CONTINUED

December 31, 2021

LIABILITIES AND NET ASSETS

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 19,545	\$ 15,815	\$ 35,360
Agency Distributions	785,000	-	785,000
Accrued Payroll Liabilities	1,663	-	1,663
Life Insurance Payable	848	-	848
Short-Term Debt	6,630	-	6,630
Total Current Liabilities	<u>\$ 813,686</u>	<u>\$ 15,815</u>	<u>\$ 829,501</u>
<b>NET ASSETS</b>			
Without Donor Restrictions:			
Undesignated	\$ 318,237	\$ -	\$ 318,237
Designated by Board	289,538	-	289,538
Total Without Donor Restrictions (Note 6)	<u>\$ 607,775</u>	<u>\$ -</u>	<u>\$ 607,775</u>
With Donor Restrictions: (Note 6)	<u>-</u>	<u>117,367</u>	<u>117,367</u>
Total Net Assets	<u>\$ 607,775</u>	<u>\$ 117,367</u>	<u>\$ 725,142</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,421,461</u></u>	<u><u>\$ 133,182</u></u>	<u><u>\$ 1,554,643</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

UNITED WAY OF NORTHEAST GEORGIA, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>SUPPORT</b>			
Campaign Contributions	\$ 1,289,622	\$ -	\$ 1,289,622
Less: Provisions For Uncollectible Pledges	(132,108)	-	(132,108)
Investment Income	28,836	11,465	40,301
Special Events - Women United Program	-	14,695	14,695
Dolly Parton's Imagination Library Program	-	37,729	37,729
Northeast Georgia 211 Program	-	42,651	42,651
	<u>\$ 1,186,350</u>	<u>\$ 106,540</u>	<u>\$ 1,292,890</u>
Net Assets Released From Restrictions	194,621	(194,621)	-
	<u>\$ 1,380,971</u>	<u>\$ (88,081)</u>	<u>\$ 1,292,890</u>
<b>EXPENSES</b>			
Northeast Georgia Campaign	\$ 963,301	\$ -	\$ 963,301
Planned Giving Campaign	9,082	-	9,082
Dolly Parton's Imagination Library Program	148,531	-	148,531
Women United Program	558	-	558
211 Program	40,697	-	40,697
Management and General	131,635	-	131,635
Fundraising Expenses	225,342	-	225,342
	<u>\$ 1,519,146</u>	<u>\$ -</u>	<u>\$ 1,519,146</u>
<b>NON-OPERATING INCOME</b>			
Employee Retention Credit	\$ 34,860	\$ -	\$ 34,860
Paycheck Protection Program (PPP) Proceeds	61,000	-	61,000
	<u>\$ 95,860</u>	<u>\$ -</u>	<u>\$ 95,860</u>
CHANGE IN NET ASSETS	\$ (42,315)	\$ (88,081)	\$ (130,396)
NET ASSETS-BEGINNING OF YEAR	<u>650,090</u>	<u>205,448</u>	<u>855,538</u>
NET ASSETS-END OF YEAR	<u>\$ 607,775</u>	<u>\$ 117,367</u>	<u>\$ 725,142</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

UNITED WAY OF NORTHEAST GEORGIA

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

EXPENSES ACCOUNT	PROGRAM SERVICES					TOTAL PROGRAM SERVICES	FUNDRAISING	MANAGEMENT AND GENERAL	2021 COMBINED
	NORTHEAST GEORGIA CAMPAIGN	PLANNED GIVING CAMPAIGN	DPIL PROGRAM	WOMEN UNITED PROGRAM	211 PROGRAM				
Agency Distributions	\$ 800,000	\$ -	\$ 82,867	\$ -	\$ -	\$ 882,867	\$ -	\$ -	\$ 882,867
Salaries	84,042	-	-	-	-	84,042	132,827	46,257	263,126
Payroll Taxes	6,275	-	-	-	-	6,275	9,640	3,095	19,010
Day of Caring	922	-	-	-	-	922	-	-	922
Campaign Expenses	-	-	-	-	-	-	18,808	-	18,808
Office Expense	256	-	-	-	-	256	256	256	768
Corporate Registration Fees	-	-	-	-	-	-	-	30	30
Postage	-	-	-	-	-	-	2,334	-	2,334
Dues and Subscriptions	-	-	-	-	-	-	11,989	11,988	23,977
Telephone	799	-	-	-	-	799	1,314	463	2,576
Donation Tracking	-	-	-	-	-	-	28,000	-	28,000
Bond & Insurance	-	-	-	-	252	252	-	4,215	4,467
EE Benefit - Group Insurance	9,184	-	-	-	-	9,184	15,109	5,333	29,626
Utilities	1,941	-	-	-	-	1,941	-	-	1,941
Condo Association Fees	3,420	-	-	-	-	3,420	-	-	3,420
EE Benefit - Retirement	2,447	-	-	-	-	2,447	4,026	1,421	7,894
Repairs & Maintenance	925	-	-	-	-	925	-	-	925
Computer Expense & Support	631	-	-	-	-	631	1,039	367	2,037
New Technology (e-Cimpact)	4,853	-	-	-	-	4,853	-	-	4,853
Legal & Professional	-	-	-	-	-	-	-	15,250	15,250
Finance & Accounting	26,466	-	-	-	-	26,466	-	26,465	52,931
Bank Charges	394	-	-	-	-	394	-	-	394
Forums, Seminars, & Meetings	3,261	-	-	-	-	3,261	-	-	3,261
Travel	1,233	-	-	-	-	1,233	-	-	1,233
Design, Ads, & Website	-	-	-	-	6,126	6,126	-	-	6,126
Interest Expense	541	-	-	-	-	541	-	-	541



UNITED WAY OF NORTHEAST GEORGIA  
STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the Year Ended December 31, 2021

	PROGRAM SERVICES					TOTAL PROGRAM SERVICES	FUNDRAISING	MANAGEMENT AND GENERAL	2021 COMBINED
	NORTHEAST GEORGIA CAMPAIGN	PLANNED GIVING CAMPAIGN	DPIL PROGRAM	WOMEN UNITED PROGRAM	211 PROGRAM				
EXPENSES ACCOUNT - CONTINUED									
Promotional Expense	-	-	296	-	9,145	9,441	-	-	9,441
Administrative Fees Paid	-	1,018	-	-	1,331	2,349	-	-	2,349
Call Center Monitoring	-	-	-	-	23,843	23,843	-	-	23,843
Publix Emergency Fund	15,711	-	-	-	-	15,711	-	-	15,711
DPIL Expense - Books	-	-	65,368	-	-	65,368	-	-	65,368
Special Events	-	-	-	558	-	558	-	-	558
Insurance Payments (Life)	-	8,064	-	-	-	8,064	-	-	8,064
Depreciation and Amortization	-	-	-	-	-	-	-	3,757	3,757
Bad Debt Expense	-	-	-	-	-	-	-	12,738	12,738
	-	-	-	-	-	-	-	12,738	12,738
TOTAL EXPENSES	\$ 963,301	\$ 9,082	\$ 148,531	\$ 558	\$ 40,697	\$ 1,162,169	\$ 225,342	\$ 131,635	\$ 1,519,146

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

UNITED WAY OF NORTHEAST GEORGIA, INC.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (130,396)
Adjustments to Reconcile Decrease in Net Assets to Cash Provided by Operating Activities:	
Depreciation	3,756
Changes in Assets and Liabilities:	
Decrease in Pledges Receivable	166,748
Net Appreciation on Investments	(74,435)
Increase in Employee Retention Credit	(34,860)
Decrease in Due from Stephens County	12,738
Increase in Other Assets	(20,015)
Increase in Accounts Payable	15,729
Increase in Agency Distributions	485,000
Decrease in Accrued Payroll Liabilities	1,352
Decrease in Life Insurance Payable	<u>848</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 426,465</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments on Long-Term Debt	<u>\$ (9,570)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>\$ (9,570)</u>
INCREASE IN CASH	\$ 416,895
CASH-BEGINNING OF YEAR	<u>617,084</u>
CASH-END OF YEAR	<u><u>\$ 1,033,979</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION	
Cash Paid For:	
Interest	<u><u>\$ 541</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE 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.

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.

Women United

The Women United program was formed for women to advocate issues important to them and take a leadership role in advancing United Way's work in Northeast Georgia.

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.

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.

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, 2021.

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

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2021.

BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS

Beneficial interests in assets held by others represent investments held by the Athens Area Community Foundation (ACCF) 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 programs (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).

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 \$146 at December 31, 2021 (Note 4).

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost or at estimated fair value at the date of the donation. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The Organization capitalizes all assets with an estimated useful life of more than one year and a cost in excess of \$5,000. Depreciation is computed using the straight-line method over the following estimated useful lives as follows:

Office Building	40 years
Equipment and Furniture	3 - 10 years

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 2,111 hours during the year ended December 31, 2021. 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 \$28.54 per hour. The resulting value of volunteer time to the Organization would approximate a contribution of \$60,248.

AGENCY DISTRIBUTIONS

Amounts which have been awarded to specific agencies in the current fiscal year to be disbursed by the end of the next fiscal year. Those amounts not distributed as of December 31, 2021 are reflected in the accompanying statement of financial position as "Agency Distributions". Donor choice funds are paid separately and included in "Agency Distributions" (Note 7).

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.

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

COMPENSATED ABSENCES

Employees of the Organization are entitled to paid vacation, depending on job classification, length of service and other factors. Any unused vacation on December 31<sup>st</sup> is forfeited. 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, 2021 and consist of the following:

Planned Giving	\$	263,295
211 Program		97,189
		<u>360,484</u>

Investment returns of the year ended December 31, 2021 consist of the following:

Interest and Dividends	\$	3,375
Realized Gain on Investments		3,700
Unrealized Gain on Investments		33,226
		<u>40,301</u>

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable at December 31, 2021 are expected to be collected as follows:

	Gross Pledges Receivable	Allowance for Uncollectible Amounts	Net Pledges Receivable
Pledges Receivable	<u>\$ 1,460</u>	<u>\$ 146</u>	<u>\$ 1,314</u>

The United Way of Northeast Georgia conducts its annual campaign in the last quarter of each calendar year to raise support for grants to participating agencies in the subsequent fiscal year.

The allowance for uncollectible pledges is an estimate based on management's knowledge of historical pledge collection rates.

NOTE 5 - PROPERTY AND EQUIPMENT

The following is a summary of depreciable assets as of December 31, 2021:

	December 31, 2020	Additions	Deletions	December 31, 2021
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Office Building	142,474	-	-	142,474
Equipment and Furniture	111,854	-	-	111,854
	<u>\$ 279,328</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,328</u>
Less: Accumulated Depreciation	(173,948)	(3,756)	-	(177,704)
Total Assets	<u>\$ 105,380</u>	<u>\$ (3,756)</u>	<u>\$ -</u>	<u>\$ 101,624</u>

NOTE 6 - NET ASSETS

Net assets with donor restrictions consists of the following at December 31, 2021:

Purpose Restricted Cash - 211 Program	\$ 20,178
Purpose Restricted Investments - 211 Program	<u>97,189</u>
Total Net Assets with Donor Restrictions	<u>\$ 117,367</u>

The Organization transferred the DPIL program to two other nonprofit organizations during 2021. The remaining restricted cash of \$15,815 on the Statement of Financial Position is payable for expenses related to the program during 2021.



UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 - NET ASSETS - CONTINUED

Net assets released from net assets with donor restrictions are as follows:

Satisfaction of Purpose Restrictions:	
Women United Program	\$ 25,017
211 Program	38,916
Dolly Parton's Imaginary Library	130,688
	<u>194,621</u>
	<u>\$ 194,621</u>

Net assets without donor restrictions consists of the following at December 31, 2021:

Designated by the Board for:	
Purpose Designated Cash	\$ 26,243
Purpose Designated Investments	263,295
	<u>289,538</u>
Undesignated	318,237
	<u>318,237</u>
Total Net Assets Without Donor Restrictions	<u>\$ 607,775</u>

The Board has designed these funds to be used at its discretion for the needs of the Organization.

NOTE 7 - AGENCY DISTRIBUTIONS

Agency distributions for the year ending December 31, 2021 were as follows:

Northeast Georgia Campaign:

Action Inc.	\$ 25,000
Ark Family Perservation Center, Inc.	10,000
Ashton Hope Keegan Foundation, Inc.	9,060
Athens Area Diaper Bank, Inc.	10,000
Athens Community Council on Aging, Inc.	58,240
Athens Land Trust, Inc.	30,000
Atlas Ministries, Inc.	25,000
Books for Keeps, Inc.	49,150
Chess & Community Conference, Inc.	7,000
Children First, Inc.	31,000
College Factory, Inc.	5,000
Extra Special People, Inc.	12,500
Family Connection-Communities in Schools of Athens, Inc.	32,915
Family Counseling Service of Athens, Inc.	16,240
Georgia Committee on Employment of People with Disabilities, Inc.	15,000
Goodwill of North Georgia, Inc.	100,000

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 - AGENCY DISTRIBUTIONS - CONTINUED

Northeast Georgia Campaign:

Interfaith Hospitality Network of Athens, Inc.	20,240
Love-Craft Athens, Inc.	15,000
Mountain Circuit Court Appointed Special Advocates, Inc.	20,000
Northeast Georgia Regional Commission	100,000
Oconee Area Resource Council, Inc.	20,500
Prevent Child Abuse Athens, Inc.	57,915
Project Safe, Inc.	40,240
Quality Care for Children, Inc.	25,000
Reach Out and Read, Inc.	25,000
Tree House, Inc.	30,000
Young Women's Christian Organization of Athens Georgia, Inc.	10,000
Total	\$ 800,000

Dolly Parton's Imaginary Library Program:

Oconee Area Resource Council, Inc.	\$ 25,653
Books for Keeps, Inc.	57,214
Total	\$ 82,867

Total Agency Distributions \$ 882,867

NOTE 8 - ADVANCE ON LINE OF CREDIT

On November 7, 2021, the Organization established a \$60,000 line of credit with Synovus Bank to provide funds for working capital. The line of credit interest rate is 1% plus the prime rate and is set to mature on November 7, 2022. There was no balance on the line of credit at December 31, 2021.

NOTE 9 - SHORT-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 August 2022. The outstanding principal as of December 31, 2021 is \$6,630.

NOTE 10- RETIREMENT PLANS

The Organization adopted a retirement plan effective January 1, 2020. The plan is a 403(b) thrift retirement plan for which all employees are eligible to participate. Contributions to the plan are based on the participants' salaries, of which the Organization matches up to 3% of the participants' contribution. Participants are 50% vested after one year of service time and 100% vested after two years of service time. Investments are placed in Mutual of America's Interest Accumulated Fund at an interest rate set by Mutual of America. Employer contributions totaled \$7,894 for the year ended December 31, 2021.

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11- 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 12- 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	\$ 1,430,637
Less: Those Unavailable for General Expenditures Within One Year, Due To:	
Contractual or Donor-Imposed Restrictions:	
Purpose Restricted by Donor	(117,367)
Board Designations:	
Purpose Restricted by Board	<u>(289,538)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year at December 31, 2021	<u>\$ 1,023,732</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 13- FORGIVENESS OF DEBT INCOME

The Organization participated in the Paycheck Protection Program ("PPP") established under the CARES Act of 2020. On January 17, 2021, the Organization applied for and received a loan in the amount of \$61,000 from First American Bank & Trust Company. 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 August 3, 2021, 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, 2021.

UNITED WAY OF NORTHEAST GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 14- 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 15- SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 29, 2022, 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, 2021.