

**WIREGRASS UNITED WAY, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

WIREGRASS UNITED WAY, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Wiregrass United Way, Inc.

We have audited the accompanying financial statements of the Wiregrass United Way, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 5 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

PARSONSGROUP, LLC

Dothan, Alabama

August 21, 2020

**WIREGRASS UNITED WAY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 835,137.96
Cash and cash equivalents, restricted	524,241.81
Prepaid expenses	9,635.38
Pledges receivable, less allowance of \$190,000.00 at December 31, 2019	<u>1,654,720.53</u>

TOTAL CURRENT ASSETS 3,023,735.68

NONCURRENT ASSETS:

Property and equipment, net	<u>170,942.97</u>
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TOTAL ASSETS \$ 3,194,678.65

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Due to designated agencies	\$ 212,649.80
Accounts payable	0.00
Accrued expenses	<u>64,055.95</u>

TOTAL CURRENT LIABILITIES 276,705.75

TOTAL LIABILITIES 276,705.75

NET ASSETS:

Without donor restrictions	1,124,549.73
With donor restrictions	<u>1,793,423.17</u>

TOTAL NET ASSETS 2,917,972.90

TOTAL LIABILITIES AND NET ASSETS \$ 3,194,678.65

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

WIREGRASS UNITED WAY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
CAMPAIGN RESULTS:			
Campaign applicable to current period (Fall 2018 & prior):			
Campaign pledges received in current period	\$ 746,142.63	\$.00	\$ 746,142.63
Campaign pledges received in prior period (released from restriction)	2,101,166.90	(2,101,166.90)	.00
Less: bad debt expense/recoveries	(223,895.27)	182,500.00	(41,395.27)
Less: donor designations	<u>(183,005.26)</u>	<u>183,005.26</u>	<u>.00</u>
Total campaign results for current period	2,440,409.00	(1,735,661.64)	704,747.36
Campaign applicable to next allocation period (Fall 2019):			
Campaign pledges received for next allocation period	.00	2,196,072.97	2,196,072.97
Less: allowance for uncollectible pledges	.00	(190,000.00)	(190,000.00)
Less: donor designations	<u>.00</u>	<u>(212,649.80)</u>	<u>(212,649.80)</u>
Campaign results for next allocation period through 12/31/19	<u>.00</u>	<u>1,793,423.17</u>	<u>1,793,423.17</u>
TOTAL CAMPAIGN RESULTS	2,440,409.00	57,761.53	2,498,170.53
OTHER SUPPORT			
Miscellaneous	4,367.95	.00	4,367.95
Grant revenues	400,000.00	.00	400,000.00
Reimbursements	2,917.35	.00	2,917.35
Special events, net of expenses	<u>48,435.77</u>	<u>.00</u>	<u>48,435.77</u>
TOTAL OTHER SUPPORT	455,721.07	.00	455,721.07
TOTAL CAMPAIGN RESULTS AND OTHER SUPPORT	<u>2,896,130.07</u>	<u>57,761.53</u>	<u>2,953,891.60</u>
REVENUES			
Interest and dividend income	13,137.71	.00	13,137.71
Gains/losses on disposal of fixed assets	.00	.00	.00
Gains/losses on investments	<u>.00</u>	<u>.00</u>	<u>.00</u>
TOTAL REVENUES	13,137.71	.00	13,137.71
TOTAL PUBLIC SUPPORT AND REVENUE	<u>2,909,267.78</u>	<u>57,761.53</u>	<u>2,967,029.31</u>
ALLOCATION AND FUNCTIONAL EXPENSES:			
Allocations:			
Allocations to agencies	2,563,495.49	.00	2,563,495.49
Less: allocations funded through donor designations	<u>(183,023.26)</u>	<u>.00</u>	<u>(183,023.26)</u>
Net allocations	2,380,472.23	.00	2,380,472.23
Functional expenses:			
Management and general	142,708.95	.00	142,708.95
Fund raising	<u>360,045.84</u>	<u>.00</u>	<u>360,045.84</u>
Total functional expenses	<u>502,754.79</u>	<u>.00</u>	<u>502,754.79</u>
TOTAL ALLOCATIONS AND FUNCTIONAL EXPENSES	<u>2,883,227.02</u>	<u>.00</u>	<u>2,883,227.02</u>
CHANGE IN NET ASSETS – EXCESS/(DEFICIT)	26,040.76	57,761.53	83,802.29
NET ASSETS - BEGINNING OF YEAR	<u>1,098,508.97</u>	<u>1,735,661.64</u>	<u>2,834,170.61</u>
NET ASSETS - END OF YEAR	<u>\$ 1,124,549.73</u>	<u>\$ 1,793,423.17</u>	<u>\$2,917,972.90</u>

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

WIREGRASS UNITED WAY, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL
Salaries, executive	\$ 27,186.81	\$ 63,435.90	\$ 90,622.71
Salaries, professional	45,606.17	136,818.50	182,424.67
Salaries, clerical	8,767.60	20,457.72	29,225.32
Employee benefits	14,893.36	34,751.16	49,644.52
Payroll taxes	6,177.47	14,414.11	20,591.58
Contract labor	7,000.00	0.00	7,000.00
Professional fees	10,841.98	0.00	10,841.98
Office & computer	2,361.61	7,084.82	9,446.43
Telephone & internet	1,909.33	5,728.00	7,637.33
Postage & shipping	670.17	2,010.49	2,680.66
Occupancy	7,045.16	2,348.39	9,393.55
Equipment rental & maintenance	1,745.10	5,235.30	6,980.40
Campaign	0.00	17,285.97	17,285.97
Travel & conference	4,105.52	12,316.57	16,422.09
Dues, organization	1,758.75	586.25	2,345.00
Dues, United Way of America	0.00	29,652.89	29,652.89
Depreciation	<u>2,639.92</u>	<u>7,919.77</u>	<u>10,559.69</u>
TOTAL	<u>\$ 142,708.95</u>	<u>\$ 360,045.84</u>	<u>\$ 502,754.79</u>

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

**WIREGRASS UNITED WAY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 83,802.29
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	10,559.69
(Increase) decrease in operating assets:	
Net pledges receivable	(49,847.21)
Prepaid expenses	(2,358.15)
Increase (decrease) in operating liabilities:	
Due to designated agencies	29,644.54
Accounts payable and accrued expenses	<u>7,407.47</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>79,208.63</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Expenditures on property and equipment	<u>(1,220.00)</u>
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NET CASH USED BY INVESTING ACTIVITIES	<u>(1,220.00)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	77,988.63
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CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,281,391.14</u>
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CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,359,379.77</u></u>
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The Organization paid no interest or income taxes for the year ended December 31, 2019.

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

WIREGRASS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Wiregrass United Way, Inc. (the “Organization”) have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Nature of Activities

The Organization is a not-for-profit organization whose major activities are fund raising and allocating funds to various not-for-profit agencies in the Wiregrass area of Alabama. The Organization is supported primarily through donor contributions and grants. The Organization is governed by a volunteer board of directors.

Income Taxes

The Organization is a not-for-profit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Contributions to the Organization are tax deductible within the limitations prescribed by the Internal Revenue Code. The Organization did not conduct any unrelated business activities. No provision for income taxes has been provided due to the Organization’s tax exempt status.

The Organization has adopted the “uncertain tax positions” provisions of generally accepted accounting principles in the United States of America. The primary tax position of the Organization is its filing status as a tax exempt entity. The Organization determined that it is more likely than not that their tax positions would be sustained upon examination by the Internal Revenue Service or other State taxing authority. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. There were no penalties or interest related to income taxes recognized during the year ended December 31, 2019. Tax years that remain subject to examination are the periods beginning on or after January 1, 2017 for all major tax jurisdictions.

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). (ASC) 958-205 was effective January 1, 2018.

WIREGRASS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Financial Statement Presentation, continued

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

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

Contributions

A contribution is deemed to have been earned when the cash or other assets including securities, land, building, use of facilities, materials and supplies, intangible assets, services or unconditional promises to give such items in the future is received. An unconditional promise to give is a promise which is not dependent on the occurrence of a specified future event to bind the promisor.

Contributions received and unconditional promises to give are measured at their fair values and are reported as increases to net assets. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

WIREFRASS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Pledges Receivable

The Organization 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. Receivables from contributions are recorded as revenue when the pledge is received and an allowance is provided for amounts estimated to be uncollectible based upon prior history. Pledges are primarily from contributors in the Southeast area (Wiregrass area) of Alabama, and all pledges are generally due within one year.

Pledges received that are designated for a specific agency are recorded as designations due to agencies. The Organization receives and disburses these funds to the designated agency. The Organization honors these designations by contributors and has no variance power related to the underlying pledge.

Donated Assets and Services

Donated assets are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as with restrictions. In the absence of such stipulations, contributions of assets are recorded without restrictions.

A substantial number of volunteers have donated significant amounts of time to the Organization's program services and fundraising campaigns. No amounts have been recognized in the statement of activities because these activities do not meet the criteria of donated services required to be recognized, as defined by FASB ASC 958-605-25-16.

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, promises to give, prepaid expenses, and agency designations payable approximate fair value because of the terms and relative short maturity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates. Significant estimates include the valuation of allowance for uncollectible pledges.

Functional Expenses

The Organization allocates its expenses on a functional basis among fund raising expenses and management and general expenses. Expenses that can be directly identified with the above categories are allocated directly according to their natural expenditure classification. Expenses that are common to both categories are allocated by various methods.

WIREGRASS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fair Value Measurements

The estimated fair values of financial instruments under FASB Codification 825-10, *Disclosures About Fair Value of Financial Instruments*, as amended by FASB Codification 820-10, are determined based on relevant market information. These estimates involve uncertainty and cannot be determined with precision.

The carrying amounts of cash, receivables, prepaids, accrued liabilities, and payables on the statement of financial position approximate fair value due to the short-term nature of these items.

FASB Codification 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB Codification 820-10 also establishes a fair value hierarchy which requires the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly through corroboration with observable market data. Level 2 inputs include (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in markets that are not active, (c) inputs other than quoted prices that are observable for the asset and liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates), and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Unobservable inputs used to measure fair value to the extent that observable inputs are not available and that are supported by little or no market activity for the asset or liability at the measurement date.

The estimated fair values of the Organization's financial instruments are as follows and are included in the statement of financial position under similar descriptions:

	<u>Level</u>	<u>Value</u>	<u>Value</u>
Financial assets			
Cash and cash equivalents	1	\$1,359,379.77	\$1,359,379.77

Certain instruments including all nonfinancial instruments are excluded from the fair value disclosure requirements. Accordingly, the aggregate fair value amounts presented do not necessarily represent the value of the Organization.

WIREFRASS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of one year or less to be cash equivalents.

Property and Equipment

Purchases of land, buildings, and furniture and equipment are recorded at cost. Property and equipment are depreciated using the straight-line method over the estimated useful lives ranging from three to forty years. Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred.

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update 2016-02, Leases, which requires recognition of lease assets and lease liabilities. The ASU is effective for years beginning after December 15, 2021 and is not expected to have a significant impact on the Organization's financial statements.

In June 2018, the FASB issued Accounting Standards Update 2018-08, Not-for-Profit Entities, which clarifies guidance on whether a transfer of assets is a contribution or an exchange transaction. The amendments in this update are effective for the Organization's year ending December 31, 2020 and is not expected to have a significant impact on the Organization's financial statements.

WIREFRASS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE B - CONCENTRATIONS OF CREDIT RISK

The Organization is located in Southeast (the Wiregrass area) Alabama. Its major activity is fund raising and allocating funds to various not-for-profit agencies in the Wiregrass area of Alabama. A majority of contribution pledges received by the Organization comes from the counties of Coffee, Dale, Geneva, Henry, and Houston within Alabama.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and receivables. The Organization maintains its cash and cash equivalents with a limited number of high quality financial institutions and may exceed the amount of insurance provided on such deposits. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation. The Federal Deposit Insurance Corporation (FDIC) currently insures up to \$250,000 of substantially all depository accounts held at each financial institution. The Organization's cash balances at financial institutions exceeded Federal Deposit Insurance Corporation limits at times during the year. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on its cash and cash equivalents.

The Organization does not maintain collateral for its receivables and does not believe significant risk exists at December 31, 2019.

NOTE C - PLEDGES RECEIVABLE

All pledges receivable were due in less than one year. Pledges receivable were measured at fair value using the income approach and inputs were considered Level 3 under the fair value hierarchy. Included in "Pledges receivable" are the following unconditional promises to give at December 31, 2019:

Undesignated Fall 2019	\$ 1,470,790.12
Undesignated Fall 2018	161,280.61
Designated Fall 2019	<u>212,649.80</u>
Gross unconditional pledges	1,844,720.53
Less: Fall 2019 allowance for uncollectible pledges	<u>(190,000.00)</u>
Net pledges receivable at December 31, 2019	<u>\$ 1,654,720.53</u>

The allowance for uncollectible pledges as of December 31, 2019 was calculated on the Fall 2019 pledges using an 8.50% allowance rate. Management used past collections as its basis for the allowance calculation. The pledges receivable as of December 31, 2019 for the Fall 2018 campaign were calculated from amounts collected from January 1, 2020 through June 30, 2020. Remaining pledges receivable for this campaign were charged off as of December 31, 2019.

**WIREGRASS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE D - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31, 2019:

Land	\$ 20,000.00
Building	56,193.00
Building improvements	143,544.55
Furniture and equipment	<u>63,421.26</u>
	283,158.81
Less: accumulated depreciation	<u>(112,215.84)</u>
Property and equipment, net	<u>\$ 170,942.97</u>

Depreciation expense for the year ended December 31, 2019 was \$ 10,559.69.

NOTE E - ALLOCATION OF JOINT COSTS

In 2019, the Organization incurred joint costs of \$ 437,973.95 for various expenses that were for management and general and fund raising. Of these costs, \$ 124,866.97 was allocated to management and general expenses and \$ 313,106.98 was allocated to fundraising expenses.

NOTE F – 403(b) THRIFT PLAN

The Organization has a defined contribution salary deferral plan covering all employees during the year ended December 31, 2019. Under the plan, the Organization will make a contribution of 3% of each eligible employee’s salary for the year. Additionally, the Organization will make a matching contribution on each eligible employee’s behalf equal to 100% of the first 3% of the compensation that the employee is contributing during the plan year. Plan expenses incurred by the Organization during 2019 were \$16,595.14.

NOTE G – PAYMENTS TO AFFILIATES

During the year ended December 31, 2019, the Organization recorded expenses for amounts due to affiliates that represent dues to the United Way of America of \$ 29,652.89.

NOTE H – ALLOCATIONS FUNDED THROUGH CONTRIBUTOR DESIGNATIONS

Allocations funded were as follows for the year ended December 31, 2019.

Allocations to 501(c)(3) and government organizations	<u>\$ 2,563,495.49</u>
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WIREGRASS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE I – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization meets cash needs for expenditures with grants and campaign contributions received throughout the year. Grants are for specific allocations and are not available for general expenditures. Campaign pledges may be restricted by the donors. The Board has not imposed limits on the use of resources without donor-imposed restrictions.

The Organization’s financial assets available within one year for the balance sheet date for general expenditures are as follows:

Cash and cash equivalents	\$1,359,379.77
Prepaid assets	9,635.38
Pledges receivable, less allowance	<u>1,654,720.53</u>
	<u>\$3,023,735.68</u>

NOTE J – RESTRICTIONS ON NET ASSETS

Campaign contributions are received primarily from local businesses and individuals to support the community programs supported by the Organization. The donor may restrict their contribution to a specific program or geographic region. They may also designate their contributions for a specific organization or another United Way chapter. The Organization considers these restrictions satisfied when it expends or remits funds in accordance with the restriction.

Net assets with donor restrictions are available for the following purposes or periods:

Cash	\$ 524,241.81
Pledges receivable (2020 campaign), less allowance	1,493,439.92
Less: Designations and other	<u>(224,258.56)</u>
	<u>\$1,793,423.17</u>

NOTE K –SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 21, 2020, the date which the financial statements were available to be issued.

Due to changes in the local economy from COVID-19, some contributions pledged during the 2020 (Fall 2019) campaign may not be received during 2020. At this time, the Organization does not expect a significant impact from those possible uncollected contributions. Pledges received through June 30, 2020 were not significantly lower than expected, and other revenue sources are currently unaffected.

While the ultimate impact of COVID-19 cannot be estimated, the Organization has taken measures to mitigate potential decreases in 2020 (Fall 2019) campaign receipts. The Organization has applied for additional grants and contributions, as well as approximately \$61,000 of Paycheck Protection Program funds expected to be forgiven. The Organization also has plans in place to reduce expenses, if necessary.