

**WIREGRASS UNITED WAY, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

WIREGRASS UNITED WAY, INC.
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DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Wiregrass United Way, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 Wiregrass United Way, Inc. as of December 31, 2023, 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.

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 Wiregrass United Way, 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 Wiregrass United Way, 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 Wiregrass United Way, 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 Wiregrass United Way, 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.

ParsonsGroup, LLC

Dothan, Alabama

July 31, 2024

**WIREGRASS UNITED WAY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 429,588.26
Cash and cash equivalents, restricted	679,471.88
Certificates of deposit	662,698.38
Prepaid expenses	3,262.51
Pledges receivable, less allowance of \$222,578.00 at December 31, 2023	<u>1,828,017.73</u>

TOTAL CURRENT ASSETS	3,603,038.76
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NONCURRENT ASSETS:

Property and equipment, net	<u>149,331.19</u>
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TOTAL NONCURRENT ASSETS	<u>149,331.19</u>
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TOTAL ASSETS	<u>\$ 3,752,369.95</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Due to designated agencies	\$ 216,999.13
Accounts payable	0.00
Accrued expenses	<u>74,114.20</u>

TOTAL CURRENT LIABILITIES	<u>291,113.33</u>
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TOTAL LIABILITIES	<u>291,113.33</u>
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NET ASSETS:

Without donor restrictions	1,338,299.79
With donor restrictions	<u>2,122,956.83</u>

TOTAL NET ASSETS	<u>3,461,256.62</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,752,369.95</u>
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

WIREGRASS UNITED WAY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
CAMPAIGN RESULTS:			
Campaign applicable to current period (Fall 2022 & prior):			
Campaign pledges received in current period	\$ 405,121.48	\$.00	\$ 405,121.48
Campaign pledges received in prior period (released from restriction)	2,371,340.62	(2,371,340.62)	.00
Less: bad debt expense/recoveries	(188,602.57)	231,672.00	43,069.43
Less: donor designations	<u>(216,662.03)</u>	<u>216,662.03</u>	<u>.00</u>
Total campaign results for current period	2,371,197.50	(1,923,006.59)	448,190.91
Campaign applicable to next allocation period (Fall 2023):			
Campaign pledges received for next allocation period	.00	2,562,528.96	2,562,528.96
Less: allowance for uncollectible pledges	.00	(222,578.00)	(222,578.00)
Less: donor designations	<u>.00</u>	<u>(216,999.13)</u>	<u>(216,999.13)</u>
Campaign results for next allocation period through 12/31/23	<u>.00</u>	<u>2,122,951.83</u>	<u>2,122,951.83</u>
TOTAL CAMPAIGN RESULTS	2,371,197.50	199,945.24	2,571,142.74
OTHER SUPPORT			
Miscellaneous	.00	.00	.00
Government grant revenues	.00	.00	.00
Other grant revenues	400,000.00	.00	400,000.00
Reimbursements	1,145.00	.00	1,145.00
Special events, net of expenses	<u>71,885.94</u>	<u>.00</u>	<u>71,885.94</u>
TOTAL OTHER SUPPORT	473,030.94	.00	473,030.94
TOTAL CAMPAIGN RESULTS AND OTHER SUPPORT	<u>2,844,228.44</u>	<u>199,945.24</u>	<u>3,044,173.68</u>
REVENUES			
Interest and dividend income	11,126.21	.00	11,126.21
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	11,126.21	.00	11,126.21
TOTAL PUBLIC SUPPORT AND REVENUE	<u>2,855,354.65</u>	<u>199,945.24</u>	<u>3,055,299.89</u>
ALLOCATION AND FUNCTIONAL EXPENSES:			
Allocations:			
Allocations to agencies	2,499,343.81	.00	2,499,343.81
Less: allocations funded through donor designations	<u>(216,662.03)</u>	<u>.00</u>	<u>(216,662.03)</u>
Net allocations	2,282,681.78	.00	2,282,681.78
Functional expenses:			
Management and general	138,585.05	.00	138,585.05
Fund raising	<u>391,021.47</u>	<u>.00</u>	<u>391,021.47</u>
Total functional expenses	<u>529,606.52</u>	<u>.00</u>	<u>529,606.52</u>
TOTAL ALLOCATIONS AND FUNCTIONAL EXPENSES	<u>2,812,288.30</u>	<u>.00</u>	<u>2,812,288.30</u>
CHANGE IN NET ASSETS – EXCESS/(DEFICIT)	43,066.35	199,945.24	243,011.59
NET ASSETS - BEGINNING OF YEAR	<u>1,295,233.44</u>	<u>1,923,011.59</u>	<u>3,218,245.03</u>
NET ASSETS - END OF YEAR	<u>\$ 1,338,299.79</u>	<u>\$ 2,122,956.83</u>	<u>\$3,461,256.62</u>

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

WIREGRASS UNITED WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL
Salaries, executive	\$ 32,666.86	\$ 76,222.68	\$ 108,889.54
Salaries, professional	48,704.85	146,114.55	194,819.40
Salaries, clerical	3,786.56	8,835.31	12,621.87
Employee benefits	14,512.17	33,861.74	48,373.91
Payroll taxes	7,288.59	17,006.72	24,295.31
Grants	0.00	0.00	0.00
Professional fees	9,850.00	0.00	9,850.00
Office & computer	4,727.05	14,181.16	18,908.21
Telephone & internet	1,728.18	5,184.54	6,912.72
Postage & shipping	633.78	1,901.33	2,535.11
Occupancy	7,250.17	2,416.72	9,666.89
Equipment & capital improvements	1,011.92	3,035.78	4,047.70
Campaign	0.00	33,731.17	33,731.17
Travel & conference	2,164.89	6,494.68	8,659.57
Dues, organization	1,405.13	468.37	1,873.50
Dues, United Way	0.00	33,002.04	33,002.04
Depreciation	<u>2,854.90</u>	<u>8,564.68</u>	<u>11,419.58</u>
TOTAL	<u>\$ 138,585.05</u>	<u>\$ 391,021.47</u>	<u>\$ 529,606.52</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, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 243,011.59
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	11,419.58
(Increase) decrease in operating assets:	
Net pledges receivable	(195,092.62)
Prepaid expenses	(1,424.12)
Increase (decrease) in operating liabilities:	
Due to designated agencies	337.10
Accounts payable and accrued expenses	<u>(2,328.16)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>55,923.37</u>
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CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of certificates of deposit	(662,698.38)
Expenditures on property and equipment	<u>(3,899.00)</u>

NET CASH USED BY INVESTING ACTIVITIES	<u>(666,597.38)</u>
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NET DECREASE IN CASH AND CASH EQUIVALENTS	(610,674.01)
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CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,719,734.15</u>
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CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,109,060.14</u>
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The Organization paid no interest or income taxes for the year ended December 31, 2023.

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, 2023

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, 2023. Tax years that remain subject to examination are the periods beginning on or after January 1, 2020 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, 2023

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.

WIREGRASS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fair Value Measurements

The Organization adopted the provisions of FASB ASC 820, *Fair Value Measurement*. In accordance with FASB ASC 820, the Organization has categorized its financial instruments based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1 – Inputs to the valuation methodology are quoted in an active market for identical assets

Level 2 – Inputs to the valuation methodology are inputs other than quoted prices that are observable for the assets

Level 3 – Inputs to the valuation methodology that are unobservable and significant to the fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the assets. These assets include non-readily marketable securities that do not have an active market.

All of the investment assets recorded in the statement of financial position are categorized based on the inputs to the valuation technique and are quoted prices in active markets for identical assets, Level 1 assets. The certificates of deposit are valued based upon observable market inputs for similar securities, including valuation models based upon prices paid for similar assets with similar yields from issuers with similar credit ratings and are included as Level 2 assets.

The Organization reports investments in equity securities at fair value, with gains and losses included in the statement of activities.

The Organization's certificates of deposit consist of the following as of December 31, 2023:

	<u>Cost</u>	<u>Market</u>
Certificates of deposit	<u>\$662,698.38</u>	<u>\$662,698.38</u>

The Organization did not have any certificates of deposit at December 31, 2022.

WIREGRASS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The following table summarizes the fair value of the Organization's investments by level at December 31, 2023:

	<u>Fair Value Measurements at Reporting Date Using</u>	
	<u>12/31/23</u>	Significant Other Observable Inputs
		<u>Level 2</u>
Certificates of deposit	<u>\$662,698.38</u>	<u>\$662,698.38</u>

The Organization did not have any investments at December 31, 2022.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of 90 days or less to be cash equivalents.

Certificates of Deposit

As of December 31, 2023, the Organization had approximately \$662,698.38 invested in certificates of deposit held in several banks and credit unions. The certificates of deposit are reported at fair value and currently have original maturities of 12 to 18 months. The certificates mature during the years ending December 31, 2024 and December 31, 2025 and earn interest at annual rates of 4.91% - 5.74%. The certificates' cost approximates their fair value.

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.

NOTE B – NEW ACCOUNTING PRONOUNCEMENTS

In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide user of the financial statements with more useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements.

WIREGRASS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE C - 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 \$250,000.00 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, 2023.

NOTE D - 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, 2023:

Undesignated Fall 2023	\$ 1,699,703.70
Undesignated Fall 2022	133,892.90
Designated Fall 2023	<u>216,999.13</u>
Gross unconditional pledges	2,050,595.73
Less: Fall 2023 allowance for uncollectible pledges	<u>(222,578.00)</u>
Net pledges receivable at December 31, 2023	<u>\$ 1,828,017.73</u>

The allowance for uncollectible pledges as of December 31, 2023 was calculated on the Fall 2023 pledges using an 7.7% allowance rate. Management used past collections as its basis for the allowance calculation. The pledges receivable as of December 31, 2023 for the Fall 2022 campaign were calculated from amounts collected from January 1, 2024 through June 30, 2024. Remaining pledges receivable for this campaign were charged off as of December 31, 2023.

WIREGRASS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE E - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31, 2023:

Land	\$ 20,000.00
Building	56,193.00
Building improvements	149,539.55
Furniture and equipment	<u>80,412.01</u>
	306,144.56
Less: accumulated depreciation	<u>(156,813.37)</u>
Property and equipment, net	<u>\$ 149,331.19</u>

Depreciation expense for the year ended December 31, 2023 was \$ 11,419.58.

NOTE F - ALLOCATION OF JOINT COSTS

In 2023, the Organization incurred joint costs of \$ 453,023.31 for various expenses that were for management and general and fund raising. Of these costs, \$ 128,735.05 was allocated to management and general expenses and \$ 324,288.26 was allocated to fundraising expenses.

NOTE G – 403(b) THRIFT PLAN

The Organization has a defined contribution salary deferral plan covering employees during the year ended December 31, 2023. 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 2023 were \$13,394.10.

NOTE H – PAYMENTS TO AFFILIATES

During the year ended December 31, 2023, the Organization recorded expenses for amounts due to affiliates that represent dues to the United Way of America of \$ 31,617.24 and due to the United Ways of Alabama of \$1,384.80, a total of \$33,002.04.

NOTE I – ALLOCATIONS FUNDED THROUGH CONTRIBUTOR DESIGNATIONS

Allocations funded were as follows for the year ended December 31, 2023.

Allocations to 501(c)(3) and government organizations	<u>\$ 2,499,343.81</u>
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WIREGRASS UNITED WAY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE J – 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	\$1,109,060.14
Certificates of deposit	662,698.38
Prepaid assets	3,262.51
Pledges receivable, less allowance	<u>1,828,017.73</u>
	<u>\$3,603,038.76</u>

NOTE K – 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	\$ 679,471.88
Pledges receivable (2024 campaign), less allowance	1,694,124.83
Less: Designations and other	<u>(250,639.88)</u>
	<u>\$2,122,956.83</u>

NOTE L –GOING CONCERN EVALUATION

On an annual basis, as required by Accounting Standards Codification (ASC) Topic 205, *Presentation of Financial Statements – Going Concern*, the Organization performs an evaluation to determine whether there are conditions or events (known or reasonably knowable), considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. Management's assessment did not indicate that substantial doubt is raised about the ability to remain a going concern for one year from the date the financial statements were available for issuance.

NOTE M –SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 31, 2024, the date which the financial statements were available to be issued. No events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.