

**UNITED WAY OF COASTAL GEORGIA, INC.  
(A Nonprofit Georgia Corporation)**

**AUDITOR'S REPORT & FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2020**

**Arline & Wiggins, CPAs, LLC  
Certified Public Accountant  
Brunswick, Georgia**

**UNITED WAY OF COASTAL GEORGIA, INC.**

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**June 30, 2020**

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Joel K. Arline, CPA + Jennifer S. Wiggins, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Way of Coastal Georgia, Inc.,

**Report on the Financial Statements**

We have audited the accompanying financial statements of United Way of Coastal Georgia, Inc. (a nonprofit Organization), which comprise the statements of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the six months then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and the 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 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 United Way of Coastal Georgia, Inc. as of June 30, 2020 and the changes in its net assets and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Arline & Wiggins, CPAs, LLC

Brunswick, GA  
December 1, 2020

**UNITED WAY OF COASTAL GEORGIA, INC.**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2020**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 739,721
Campaign promises to give, net	142,473
Contributions receivable - in-kind rent	9,392
Prepaid expenses	<u>6,802</u>
Total current assets	<u>898,388</u>

**PROPERTY AND EQUIPMENT**

Office furniture and equipment	28,095
Leasehold Improvements	19,379
Software	<u>4,750</u>
Total property and equipment	<u>52,224</u>
Less: accumulated depreciation	<u>(46,966)</u>
Net property and equipment	<u>5,258</u>

**TOTAL ASSETS**

**\$ 903,646**

**CURRENT LIABILITIES**

Accounts payable	\$ 1,389
Accrued compensation and related expenses	1,088
Paycheck protection loan	50,302
Designations and allocations payable	<u>211,393</u>
Total current liabilities	<u>264,172</u>

**NET ASSETS**

Net assets without donor restrictions	630,082
Net assets with donor restrictions	<u>9,392</u>
Total net assets	<u>639,474</u>

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 903,646**

The accompanying notes are an integral part of these financial statements.

**UNITED WAY OF COASTAL GEORGIA, INC.**

**STATEMENT OF ACTIVITIES**

**For the Six Months Ended June 30, 2020**

	Without donor Restrictions	With donor Restrictions	Total
<b>SUPPORT, REVENUE AND RECLASSIFICATIONS:</b>			
Campaign contributions			
2020-2021 Campaign	\$ 71,195	\$ -	\$ 71,195
2019-2020 Campaign	399,516	-	399,516
2018-2019 Campaign	8,429	-	8,429
2016-2017 Campaign	8,123	-	8,123
Gross campaign promises to give	487,263	-	487,263
Less: Donor designations	(43,303)	-	(43,303)
Less: Provision for uncollectible promises to give	(5,958)	-	(5,958)
Campaign contributions, net	438,002	-	438,002
Fundraising - admin fees	6,910	-	6,910
Grant income	93,761	-	93,761
Interest income	1,098	-	1,098
<b>Total Support and Revenue</b>	<b>539,771</b>	<b>-</b>	<b>539,771</b>
Net assets released from restrictions:			
Donor-imposed restrictions	-	-	-
Expirations of time restrictions	18,908	(18,908)	-
Total net assets released from restrictions	<b>\$ 18,908</b>	<b>\$ (18,908)</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.

**UNITED WAY OF COASTAL GEORGIA, INC.**

**STATEMENT OF ACTIVITIES - Continued**

**For the Six Months Ended June 30, 2020**

	<u>Without donor Restrictions</u>	<u>With donor Restrictions</u>	<u>Total</u>
<b>EXPENSES:</b>			
Program services	<u>\$ 363,603</u>	<u>\$ -</u>	<u>\$ 363,603</u>
Supporting services:			
General and administrative	65,311	-	65,311
Fundraising	<u>60,410</u>	<u>-</u>	<u>60,410</u>
Total Supporting services	<u>125,721</u>	<u>-</u>	<u>125,721</u>
<b>Total Expenses</b>	<u>489,324</u>	<u>-</u>	<u>489,324</u>
<b>CHANGE IN NET ASSETS</b>	<u>69,355</u>	<u>(18,908)</u>	<u>50,447</u>
<b>NET ASSETS, beginning of year</b>	<u>560,727</u>	<u>28,300</u>	<u>589,027</u>
<b>NET ASSETS, end of year</b>	<u>\$ 630,082</u>	<u>\$ 9,392</u>	<u>\$ 639,474</u>

The accompanying notes are an integral part of these financial statements.

**UNITED WAY OF COASTAL GEORGIA, INC.**

**STATEMENT OF CASH FLOWS**

**For the Six Months Ended June 30, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 50,447
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:	
Depreciation	172
(Increase) decrease in assets and increase (decrease) in liabilities:	
Contributions receivable, net	(8,732)
Prepaid expenses	(609)
Accounts payable	(5,656)
Accrued compensation and related expenses	(971)
Designations and allocations payable	<u>(18,952)</u>
Net cash flows provided by operating activities	<u>15,699</u>
Adjustments to reconcile change in net assets to net cash (used in) provided by investing activities:	
Purchase of office equipment	<u>(5,430)</u>
Net cash flows used in investing activities	<u>(5,430)</u>
Adjustments to reconcile change in net assets to net cash (used in) provided by financing activities:	
Payroll protection program	<u>50,302</u>
Net cash flows provided by financing activities	<u>50,302</u>
<b>NET CHANGE IN CASH</b>	<b>60,571</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b><u>679,150</u></b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 739,721</u></b>
<b>CASH AND CASH EQUIVALENTS:</b>	
Cash in bank - without donor restrictions	\$ 739,721
Cash in bank - with donor restrictions	<u>-</u>
	<u>\$ 739,721</u>
<b>SUPPLEMENTAL DATA:</b>	
Interest paid	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**UNITED WAY OF COASTAL GEORGIA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Period Ended June 30, 2020**

	TOTAL PROGRAM SERVICES	SUPPORTING SERVICES			TOTAL 2020
		GENERAL & ADMINIS- TRATIVE	FUND RAISING	TOTAL	
Allocations to agencies	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000
Bank, registration, and other fees	332	166	166	332	664
Dues and subscriptions	265	133	133	266	531
Health insurance	222	148	370	518	740
Insurance	1,722	1,722	-	1,722	3,444
Marketing materials	1,361	-	1,891	1,891	3,252
Office expense	9,704	4,720	-	4,720	14,424
Other allocations/grants to others	95,653	-	-	-	95,653
Payroll service fees	1,037	1,093	749	1,842	2,879
Payroll taxes	3,810	2,677	3,621	6,298	10,108
Pension expense	854	568	1,423	1,991	2,845
Postage	112	1	6	7	119
Professional fees	7,150	6,250	-	6,250	13,400
Rent	7,563	5,104	6,240	11,344	18,907
Salaries	48,997	37,964	42,959	80,923	129,920
Telecommunications and internet	1,630	815	815	1,630	3,260
Travel expense	127	63	63	126	253
United Way Worldwide	6,076	-	-	-	6,076
Utilities	1,919	3,839	1,919	5,758	7,677
Total Expenses Before Depreciation	363,534	65,263	60,355	125,618	489,152
Depreciation	69	48	55	103	172
Total Expenses	<u>\$ 363,603</u>	<u>\$ 65,311</u>	<u>\$ 60,410</u>	<u>\$ 125,721</u>	<u>\$ 489,324</u>

The accompanying notes are an integral part of these financial statements.



# UNITED WAY OF COASTAL GEORGIA, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A. Nature of Activities

The United Way of Coastal Georgia, Inc. (the “United Way” or “Organization”) is a non-profit organization whose primary mission is to improve lives by mobilizing the caring power of communities to advance the common good. The United Way accomplishes this mission by conducting annual fundraising campaigns and then allocating a significant portion of these contributions to various non-profit human service agencies whose programs support the most critical needs identified in the community.

United Way of Coastal Georgia is a member of United Way Worldwide. The Organization supports thirty programs within Glynn and McIntosh Counties that focus on education (13), health (13) and income (4). The Organization partners with local schools, government policy makers, businesses, and other groups to address the most critical issues facing the community and to mobilize resources beyond dollars that are pledged through their fundraising and leadership efforts.

The Organization’s program services and initiatives include:

*Allocations to agencies* - The United Way helps to fund local health and human service programs, designated as partner agencies, through annual funding allocations. Agencies are determined by the Organization’s Community Investment Committee, which consists of a group of experienced volunteers. Agency recommendations are based on factors such as the need for the service in the community, how efficiently the agency will use the funds, documented financial strength and governance of the organization, as well as community support for the agency services.

*The Volunteer Center of Coastal Georgia* – The Volunteer Center of Coastal Georgia (VCCG), a program of United Way of Coastal Georgia, Inc., promotes volunteer services and civic engagement that addresses the multifaceted needs of Coastal Georgia through a variety of service projects.

VCCG brings together individuals, families, businesses, and community groups with flexible, inspiring volunteer opportunities in Glynn and McIntosh Counties.

*Information & Resource Line* – The United Way sponsors an information and referral line which is a resource for fast, efficient health and human services information and referrals for Glynn County and McIntosh County residents. Residents can dial 912-265-1850 to be connected with an United Way staff or volunteers during business hours.

**UNITED WAY OF COASTAL GEORGIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**

**June 30, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**C. Basis of Presentation**

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor imposed restrictions and net assets with donor imposed restrictions.

**D. Contributions**

Contributions are recognized as revenue at the time the contribution or unconditional promise to give is received, net of estimated uncollectible amounts. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recorded as net assets without donor imposed restrictions or net assets with donor imposed restrictions depending on the existence or nature of any donor restrictions. All donor restricted support is reported as an increase in net assets with donor imposed restrictions depending on the nature of the restriction. When a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor imposed restrictions are reclassified to net assets without donor imposed restrictions and reported in the statement of activities as net assets released from restrictions.

**E. Donor Designations and Agency Allocations**

Donors have the option to designate all or part of their contribution to a specific organization, referred to as designated contributions. The collection of these contributions and distribution to donor specified agencies are transactions in which the United Way is acting as an agent or intermediary. Agency transactions are not reported in the statement of activities as revenue and expenses, but are included in the total campaign contributions, then are deducted as amounts designated to other organizations to arrive at net campaign revenue. Amounts deducted are carried as liabilities until paid to the designated organization.

Amounts ultimately allocated to agencies for the year are subject to the results attained in the campaign. The United Way first applies all donor designated amounts to the specified agency. The remaining balance of funds to be distributed is then allocated to arrive at the total amount to be awarded to each partner agency.

Allocations result from contributions by donors that are not specifically directed to individual organizations and agencies. These funds are allocated for distribution to various partner agencies and programs based on need and other criteria deemed appropriate by the Board of Directors.

**UNITED WAY OF COASTAL GEORGIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**

**June 30, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES – Continued**

**F. Cash and Cash Equivalents**

For the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of twelve months or less to be cash equivalents.

**G. Allocations and Commitment to Agency Programs**

The annual fundraising campaign years overlap the fiscal years. Some undesignated contributions are recognized as revenue in the current fiscal year but will not be disbursed to the charities until the following calendar year. The United Way's total campaign allocations are accrued at the conclusion of each annual fundraising campaign after approval by the Board of Directors in the following year; therefore, no expense or corresponding liability is reported at June 30, 2020 for these allocations.

**H. Contributions Receivable**

Campaign

Campaigns are conducted each year to raise funds for various qualified non-profit organizations in the community. Most campaign promises to give that contribute to the campaign are received by the end of each calendar year but are generally collected ratably over the subsequent fiscal year. Campaign promises to give are expected to be collected within one year and therefore are recorded at their net realizable value when received. This value is the gross amount of the promises to give net of an allowance of uncollectible amounts.

The provision for uncollectible pledges is computed using a historical average of actual results. The calculation is applied to gross campaign revenue including donor designations. The allowance for uncollectible promises to give was established at \$81,974 at June 30, 2020.

Donated Rent on Office Space

Contributions receivable as of June 30, 2020 includes contributed office space rental agreement with Southeast Georgia Health Systems at an annual rate of one dollar. This is a fixed-term lease with annual lease payments below market value.

The original lease agreement expired September 2019. The lease agreement was extended until September 13, 2024 but is renewed annually and the landlord reserves the right to terminate the lease at any time with six months' notice. Donated rent is recorded annually at the fair market value. As of June 30, 2020, there was \$9,392 in in-kind rent receivable.

**UNITED WAY OF COASTAL GEORGIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**

**June 30, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES – Continued**

**I. Property and Equipment**

Property and equipment are stated at cost for purchased assets and at estimated market value on the date of the gift for donated assets. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of assets are as follows:

<u>Type of Property</u>	<u>Estimated Useful Life</u>
Office Equipment and Software	3 to 5 years
Leasehold Improvements	Remaining length of lease term

Maintenance, repairs, and minor equipment purchases are expensed when incurred. Major leasehold improvements are capitalized and depreciated at the applicable straight-line rate.

**J. Contributed Services, Equipment, and Facilities**

Donated services are reported as contributions when they meet certain criteria, including when (1) the services create or enhance non-financial assets, or (2) the services would be purchased if they had not been provided by contribution, require specialized skills, and be provided by individuals possessing those skills. Donated equipment, materials, or facilities, if significant, are included in support and revenue at fair value.

The United Way receives donated services from unpaid volunteers who assist in carrying out the purpose of the Organization. No amounts have been recognized in the statement of activities because the criteria for recognition have not been satisfied.

**K. Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**L. Income Taxes**

The United Way of Coastal Georgia, Inc. is a nonprofit Georgia Corporation exempt from Federal and State income taxes under Section 501 (c) (3) of the Internal Revenue Code of 1986 and is classified as other than a private foundation. Accordingly, no provision for income taxes has been computed.

**UNITED WAY OF COASTAL GEORGIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**

**June 30, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES – Continued**

M. Use of Estimates

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

**2. RETIREMENT PLAN**

The Organization has established a 401(k) retirement plan, which is available to all employees who meet the eligibility requirements. The plan includes an employer match of the employee's contribution of 100% of the first 6% in 2020. For the six months ended June 30, 2020, retirement expense was \$2,845.

**3. FUNDS HELD FOR OTHERS**

Under contractual agreements, the United Way periodically acts as the fiscal agent for various local programs. Through the United Way, donors give to these programs and their gift is distributed by the United Way accordingly. The United Way acts as an agent for these programs; it does not recognize contribution revenue or allocation expense on the statement of activities. As of June 30, 2020 there were no funds held for others.

**4. RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions totaling \$9,392 as of June 30, 2020, consisted of in-kind donation of office space.

Net assets released by expiration of time restrictions represent amortized donated office space.

Donor designated campaign contributions received during 2020 were used for their designated purposes during the year the contributions were received therefore recognized as net assets without donor restrictions.

**5. CONCENTRATIONS OF CREDIT RISK**

The United Way of Coastal Georgia, Inc. maintains its cash balances in several financial institutions in Brunswick and St. Simons Island, Georgia. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. Occasionally, the Organization has excess cash deposits exceeding federally insured amounts. The Organization does not expect to incur any losses from its uninsured deposits.

**UNITED WAY OF COASTAL GEORGIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS - Continued**

**June 30, 2020**

**6. COMPENSATED ABSENCES**

The United Way of Coastal Georgia, Inc. has not accrued a liability for compensated absences because the amount cannot be reasonably estimated. The Organization's policy is to recognize these costs when actually paid.

**7. NOTES PAYABLE**

On April 18, 2020, the Organization received loan proceeds totaling \$50,302 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES ACT"), provides for loans to qualifying businesses and nonprofits for amounts up to 2.5 times of the average monthly payroll expenses of the business or nonprofit. The loans and accrued interest are forgivable as long as the borrower uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The unforgiven portion of the PPP is payable over two years at an interest rate of 1% with a deferral of payments for the first six months. The Organization believes that its use of the loan proceeds will meet the conditions for forgiveness and no amounts will be required to be paid back.

**8. CHANGE OF ACCOUNTING YEAR END**

The financial year end of the Organization was changed from December 31 to June 30 due to the annual campaign running across two calendar years. Making the change to a June 30 fiscal year end has allowed the Organization to run a campaign in one fiscal year. As a result, budgeting capabilities have been improved, and the Organization can better track operating expenses versus campaign income, provide program support, and create and manage budgets off actual campaign income received versus projected campaign income. Accordingly, the current financial statements are prepared for six months from January 1 to June 30, 2020 and as a result, the financial statements are not comparable to the prior year.

**9. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 1, 2020, the date the financial statements were available to be issued. The COVID-19 outbreak in the United States has caused business disruptions through mandated and voluntary closings. The related financial impact on the Company and duration cannot be reasonably estimated at this time.