

UNITED WAY OF THE CENTRAL SAVANNAH  
RIVER AREA, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

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## INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
United Way of the Central Savannah River Area, Inc.  
Augusta, Georgia

We have audited the accompanying financial statements of United Way of the Central Savannah River Area, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### **Auditors' 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 auditors' 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 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 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 United Way of the Central Savannah River Area, Inc. as of December 31, 2020, 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.

## **Prior Period Financial Statements**

The financial statements of the United Way of the Central Savannah River Area, Inc. as of December 31, 2019, were audited by other auditors whose report dated May 11, 2020, expressed an unmodified opinion on those statements.

*Serotta Maddocks Evans & Co.*

SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia

May 11, 2021

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2020 AND 2019

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,813,729	\$ 1,835,002
Restricted Cash	130,113	43,225
Pledges receivable, net of provision for uncollectible pledges	545,629	796,136
Accounts receivable	8,549	2,306
Prepaid expenses	54,563	64,284
Other assets	5,000	5,002
Total Current Assets	2,557,583	2,745,955
Equipment, net	4,224	8,916
Certificate of deposit	-	80,002
Other assets	12,699	17,914
Beneficial interest in assets held by Community Foundation	133,174	120,175
Total Assets	\$ 2,707,680	\$ 2,972,962
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 73,495	\$ 72,734
Amounts payable to designated agencies	146,870	211,231
Allocations payable	447,160	728,888
Payroll Protection Plan loan	136,585	-
Deferred revenue	35,427	71,585
Total Current Liabilities	839,537	1,084,438
 <b>LONG-TERM LIABILITIES</b>		
Payroll Protection Plan loan	39,572	-
Other long-term liabilities	12,699	17,914
Total Liabilities	891,808	- 1,102,352
 <b>NET ASSETS</b>		
Without donor restrictions	848,174	821,521
With donor restrictions:		
Restricted for the 2020 and 2019 campaign, net	756,429	933,696
COVID-19 Relief	41,659	-
Various local initiatives	54,217	-
Purpose restricted for United Service Organization	80,000	80,000
Quasi-endowment fund	35,393	35,393
Total net assets with donor restrictions	967,698	1,049,089
Total Net Assets	1,815,872	1,870,610
	\$ 2,707,680	\$ 2,972,962

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Campaign revenue			
Campaign contributions	\$ 1,239,948	\$ 846,583	\$ 2,086,531
Other Campaign contributions	9,507	-	9,507
Less: Donor designations	(131,485)	(67,331)	(198,816)
Less: Provision for uncollectible pledges	(72,500)	(33,000)	(105,500)
Net campaign revenue	<u>1,045,470</u>	<u>746,252</u>	<u>1,791,722</u>
Special events	36,868	7,475	44,343
Service fees	42,511	-	42,511
Grants	68,219	52,216	120,435
Net investment income	26,253	-	26,253
Miscellaneous income	9,566	-	9,566
COVID-19 funds	-	226,504	226,504
Grant gifts in-kind	750,065	-	750,065
Other donations and contributions, including in-kind	<u>152,153</u>	<u>-</u>	<u>152,153</u>
Total revenues before releases from restriction	2,131,105	1,032,447	3,163,552
Net assets released from restriction	<u>1,113,838</u>	<u>(1,113,838)</u>	<u>-</u>
Total Revenue	<u>3,244,943</u>	<u>(81,391)</u>	<u>3,163,552</u>
Functional expenses			
Program services			
Allocations to agencies	1,092,435	-	1,092,435
Less: Donor designations	(198,816)	-	(198,816)
Net funds awarded/distributed	<u>893,619</u>	<u>-</u>	<u>893,619</u>
Community impact	290,950	-	290,950
Grants	785,053	-	785,053
2-1-1	395,184	-	395,184
Total program services	<u>2,364,806</u>	<u>-</u>	<u>2,364,806</u>
Supporting services			
Management, general and marketing	406,536	-	406,536
Fundraising	446,948	-	446,948
Total supporting services	<u>853,484</u>	<u>-</u>	<u>853,484</u>
Total Allocations and Functional Expenses	<u>3,218,290</u>	<u>-</u>	<u>3,218,290</u>
Change in net assets	26,653	(81,391)	(54,738)
NET ASSETS - beginning of year	<u>821,521</u>	<u>1,049,089</u>	<u>1,870,610</u>
NET ASSETS - end of year	<u>\$ 848,174</u>	<u>\$ 967,698</u>	<u>\$ 1,815,872</u>

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Campaign revenue			
Campaign contributions	\$ 1,429,294	\$ 1,280,824	\$ 2,710,118
Other Campaign contributions	1,919	-	1,919
Less: Donor designations	(127,160)	(166,128)	(293,288)
Less: Provision for uncollectible pledges	(31,749)	(181,000)	(212,749)
Net campaign revenue	<u>1,272,304</u>	<u>933,696</u>	<u>2,206,000</u>
Special events	67,711	-	67,711
Service fees	24,733	-	24,733
Grants	76,978	-	76,978
Net investment income	26,294	-	26,294
Miscellaneous income	8,866	-	8,866
Grants gifts in-kind	437,972	-	437,972
Other donations and contributions, including in-kind	<u>237,050</u>	<u>7,424</u>	<u>244,474</u>
Total revenues before releases from restriction	2,151,908	941,120	3,093,028
Net assets released from restriction	<u>1,037,603</u>	<u>(1,037,603)</u>	<u>-</u>
 Total Revenue	 <u>3,189,511</u>	 <u>(96,483)</u>	 <u>3,093,028</u>
Functional expenses			
Program services			
Allocations to agencies	1,659,158	-	1,659,158
Less: Donor designations	(293,289)	-	(293,289)
Net funds awarded/distributed	<u>1,365,869</u>	<u>-</u>	<u>1,365,869</u>
Community impact	458,580	-	458,580
Grants	468,558	-	468,558
2-1-1	232,233	-	232,233
Total program services	<u>2,525,240</u>	<u>-</u>	<u>2,525,240</u>
Supporting services			
Management, general and marketing	405,055	-	405,055
Fundraising	465,780	-	465,780
Total supporting services	<u>870,835</u>	<u>-</u>	<u>870,835</u>
Total Allocations and Functional Expenses	<u>3,396,075</u>	<u>-</u>	<u>3,396,075</u>
Change in net assets	(206,564)	(96,483)	(303,047)
NET ASSETS - beginning of year	<u>1,028,085</u>	<u>1,145,572</u>	<u>2,173,657</u>
NET ASSETS - end of year	<u>\$ 821,521</u>	<u>\$ 1,049,089</u>	<u>\$ 1,870,610</u>

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2020

	Program Services				Total Program Services	Support Services			Total
	Community Investments	Community Impact	Grants	2-1-1		Management and General	Resource Development and Fundraising	Total Support Services	
<b>Expenses</b>									
Allocations and awards	\$ 1,092,435	\$ -	\$ -	\$ -	\$ 1,092,435	\$ -	\$ -	\$ -	\$ 1,092,435
Less donor designations	(198,816)	-	-	-	(198,816)	-	-	-	(198,816)
Net agency grants	893,619	-	-	-	893,619	-	-	-	893,619
<b>Salaries and related expenses</b>									
Salaries	-	125,846	25,173	112,759	263,778	235,608	259,638	495,246	759,024
Health and life insurance	-	9,277	-	19,952	29,229	20,634	27,218	47,852	77,081
Retirement	-	13,656	-	10,658	24,314	20,285	23,556	43,841	68,155
Payroll taxes	-	9,258	1,925	8,799	19,982	17,580	19,587	37,167	57,149
Sub-total	-	158,037	27,098	152,168	337,303	294,107	329,999	624,106	961,409
<b>Other expenses</b>									
Professional fees	-	6,534	-	30,211	36,745	-	2,245	2,245	38,990
Advertising	-	152	-	1,000	1,152	7,140	8,275	15,415	16,567
Supplies - office	-	481	3,283	727	4,491	726	834	1,560	6,051
Supplies - campaign	-	-	-	-	-	-	9,599	9,599	9,599
Awards	-	-	-	-	-	133	2,299	2,432	2,432
Postage	-	64	-	2	66	537	2,568	3,105	3,171
Occupancy	-	17,272	-	17,382	34,654	18,665	31,140	49,805	84,459
Printing	-	1,899	-	-	1,899	5,393	4,770	10,163	12,062
Subscriptions	-	-	-	-	-	1,580	464	2,044	2,044
Local transportation	-	428	191	60	679	87	505	592	1,271
Conferences and training	-	275	-	-	275	2,746	789	3,535	3,810
Meetings	-	1,133	-	-	1,133	585	434	1,019	2,152
Special events	-	7,172	-	264	7,436	31,540	8,636	40,176	47,612
Membership dues	-	250	-	305	555	2,400	305	2,705	3,260
General insurance	-	816	-	821	1,637	882	1,471	2,353	3,990
VISTA Program fee expense	-	38,979	-	-	38,979	-	-	-	38,979
Grant funded assistance	-	-	4,074	-	4,074	-	-	-	4,074
COVID-19 assistance	-	-	-	175,557	175,557	-	-	-	175,557
Gifts in-kind	-	47,805	750,065	6,977	804,847	7,492	25,219	32,711	837,558
Miscellaneous	-	93	342	88	523	6,441	158	6,599	7,122
Sub-total other expenses	-	123,353	757,955	233,394	1,114,702	86,347	99,711	186,058	1,300,760
Audit	-	-	-	-	-	15,750	-	15,750	15,750
Depreciation expenses	-	959	-	966	1,925	1,037	1,730	2,767	4,692
United Way Worldwide Investment	-	8,601	-	8,656	17,257	9,295	15,508	24,803	42,060
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 893,619</b>	<b>\$ 290,950</b>	<b>\$ 785,053</b>	<b>\$ 395,184</b>	<b>\$ 2,364,806</b>	<b>\$ 406,536</b>	<b>\$ 446,948</b>	<b>\$ 853,484</b>	<b>\$ 3,218,290</b>

SEE NOTES TO FINANCIAL STATEMENTS



UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2019

	Program Services				Support Services				Total
	Community Investments	Community Impact	Grants	2-1-1	Total Program Services	Management and General	Resource Development and Fundraising	Total Support Services	
<b>Expenses</b>									
Allocations and awards	\$ 1,659,158	\$ -	\$ -	\$ -	\$ 1,659,158	\$ -	\$ -	\$ -	\$ 1,659,158
Less donor designations	(293,289)	-	-	-	(293,289)	-	-	-	(293,289)
Net agency grants	<u>1,365,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,365,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,365,869</u>
<b>Salaries and related expenses</b>									
Salaries	-	134,981	22,330	108,075	265,386	213,915	239,523	453,438	718,824
Health and life insurance	-	11,086	258	25,042	36,386	21,652	34,668	56,320	92,706
Retirement	-	15,617	-	10,622	26,239	21,049	16,239	37,288	63,527
Payroll taxes	-	10,492	1,709	8,161	20,362	16,421	18,262	34,683	55,045
Sub-total	<u>-</u>	<u>172,176</u>	<u>24,297</u>	<u>151,900</u>	<u>348,373</u>	<u>273,037</u>	<u>308,692</u>	<u>581,729</u>	<u>930,102</u>
<b>Other expenses</b>									
Professional fees	-	5,128	-	29,381	34,509	88	2,245	2,333	36,842
Advertising	-	113	-	-	113	13,857	-	13,857	13,970
Supplies - office	-	1,402	-	823	2,225	2,058	1,422	3,480	5,705
Supplies - campaign	-	-	-	-	-	-	13,779	13,779	13,779
Awards	-	101	-	-	101	324	2,578	2,902	3,003
Telephone	-	12	-	111	123	13	21	34	157
Postage	-	102	-	111	213	1,245	2,794	4,039	4,252
Occupancy	-	17,730	-	17,500	35,230	19,421	30,302	49,723	84,953
Printing	-	117	-	3,197	3,314	9,954	10,288	20,242	23,556
Subscriptions	-	-	-	-	-	651	1,182	1,833	1,833
Local transportation	-	1,621	1,250	831	3,702	550	5,042	5,592	9,294
Conferences and training	-	1,000	-	930	1,930	2,685	2,235	4,920	6,850
Meetings	-	1,241	-	222	1,463	828	2,193	3,021	4,484
Special events	-	9,550	-	-	9,550	34,019	34,026	68,045	77,595
Special community funding	-	52,250	-	9,245	61,495	-	-	-	61,495
Membership dues	-	250	-	505	755	2,818	275	3,093	3,848
General insurance	-	912	-	901	1,813	999	1,559	2,558	4,371
VISTA Program fee expense	-	24,248	-	-	24,248	-	-	-	24,248
Grant funded assistance	-	-	5,039	-	5,039	-	-	-	5,039
Gifts in-kind	-	161,611	437,972	6,983	606,566	10,749	31,803	42,552	649,118
Miscellaneous	-	128	-	820	948	4,524	153	4,677	5,625
Sub-total other expenses	<u>-</u>	<u>277,516</u>	<u>444,261</u>	<u>71,560</u>	<u>793,337</u>	<u>104,783</u>	<u>141,897</u>	<u>246,680</u>	<u>1,040,017</u>
Audit	-	-	-	-	-	17,500	-	17,500	17,500
Depreciation expenses	-	1,103	-	1,089	2,192	1,208	1,886	3,094	5,286
United Way Worldwide Investment	-	7,785	-	7,684	15,469	8,527	13,305	21,832	37,301
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 1,365,869</u>	<u>\$ 458,580</u>	<u>\$ 468,558</u>	<u>\$ 232,233</u>	<u>\$ 2,525,240</u>	<u>\$ 405,055</u>	<u>\$ 465,780</u>	<u>\$ 870,835</u>	<u>\$ 3,396,075</u>

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (54,738)	\$ (303,047)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	4,692	5,286
Contributions in-kind	837,558	649,118
Expenses relating to contributions in-kind	(837,558)	(649,118)
Net gain on beneficial interest in assets held by Community Foundation	(12,999)	(18,270)
Changes in operating assets and liabilities:		
Pledges receivable	250,507	127,622
Accounts receivable	(6,243)	50,316
Prepaid expenses	9,721	26,362
Other assets	5,217	(5,002)
Accounts payable and accrued expenses	(4,454)	(13,850)
Designations payable	(64,361)	11,983
Allocations payable	(281,728)	(201,262)
Deferred revenue	(36,158)	29,722
Net cash used in operating activities	(190,544)	(290,140)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	-	(6,861)
Transfer of assets to beneficial interest in assets held by Community Foundation	-	(1,941)
Maturity of certificate of deposit	80,002	-
Net cash provided by (used in) investing activities	80,002	(8,802)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Payroll Protection Program Loan	176,157	-
Net cash provided by financing activities	176,157	-
Net increase (decrease) in cash and cash equivalents	65,615	(298,942)
Cash and cash equivalents at beginning of year	1,878,227	2,177,169
Cash and cash equivalents at end of year	\$ 1,943,842	\$ 1,878,227
Classified as:		
Cash	\$ 1,813,729	\$ 1,835,002
Restricted cash	130,113	43,225
	\$ 1,943,842	\$ 1,878,227

SEE NOTES TO FINANCIAL STATEMENTS

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACTIVITIES - Incorporated in 1951, United Way of the Central Savannah River Area, Inc. (“United Way” or “United Way of the CSRA”) conducts the annual United Way fundraising campaign and distributes the monies to other charitable organizations. United Way also provides planning and other forms of support to numerous charitable organizations in the Central Savannah River Area. United Way of the CSRA unites people and mobilizes community resources to create lasting changes that transform lives. United Way, which is governed by a volunteer Board of Directors, is committed to complying with United Way Worldwide Cost Deduction Standards.

NET ASSETS - The Organization's net assets 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. These net assets may be used at the discretion of United Way’s management and the Board of Directors.

Net assets with donor restrictions - Net assets that are subject to stipulations imposed by donors and grantors. Some donor restriction depending on the existence and/or nature of any donor-imposed restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the donor restrictions have been met. The Organization chooses to show contributions with donor restrictions (including contributions of long-lived assets) whose restrictions are met in the same reporting period as contributions without donor restrictions.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

QUASI-ENDOWMENT FUND - In 2018, United Way of the CSRA entered into an agreement with The Community Foundation of the CSRA (the “Foundation”) to establish and maintain a quasi-endowment for the purpose of providing long-term support for the ongoing operations of the United Way of the CSRA. The fund totaled \$40,801 and \$35,393 at December 31, 2020 and 2019, respectively and is included in beneficial interest in assets held by Community Foundation. The funds maintained at the Foundation are included in net assets with donor restrictions in the accompanying statements of financial position.

SUPPORT AND EXPENSES - Contributions received and unconditional promises to give are measured at their fair value and are reported as an increase in net assets. United Way reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets, or if they are designated as support for future periods. When a donor restriction has been met, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions. Donor designated contributions are reported as reductions to United Way’s support.

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

United Way reports gifts of goods and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit donor restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulation about how long those long-lived assets must be maintained, United Way reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

When material, unconditional promises to give receivable more than one year from the statement of financial position date are stated at their present value using a discount rate commensurate with the uncertainty involved. Favorable variances on United Way's provision for uncollectible pledges are recognized as contributions, whereas unfavorable variances are recognized as bad debts expense. Both are recognized in the year the variance occurs.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

PROGRAM SERVICE ACCOMPLISHMENTS - United Way's programs are described below:

Program funding allocations

Using contributions to the Community Investment Fund, United Way of the CSRA distributes funds to 38 health and human service programs at 26 partner agencies. Program allocation requests are made annually and include budget information as well as proposed impact of funds. Quarterly success stories, outcomes logic models, and annual total service reports are required under United Way's partnership agreement. Partner agencies also submit annual IRS Form 990s and audits as per United Way policies.

These funded programs are reviewed annually by groups of community volunteers to ensure appropriate usage of funds. Volunteers complete site visits and in-depth reviews of program accomplishments. Funding is targeted towards programs demonstrating an impact on the community. United Way's funding policies are designed to ensure the greatest accountability for donors' funds and the greatest impact on individuals in our local community.

Funded Programs achieve outcomes within the following impact areas:

- 1) *Education*
- 2) *Financial Stability*
- 3) *Health*

2-1-1 Information and referral program

The concept of 2-1-1 - an easy to remember 3-digit dialing code that connects people with professionally-delivered information and referral to health, community and human services - was born in Atlanta in 1997 through the leadership of United Way of Greater Atlanta.

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Locally, 2-1-1 has significant impact on the quality of life throughout the community. In 2020, United Way of the CSRA's 2-1-1 information and referral specialists assisted 20,452 callers. In addition, 2-1-1 provided support to specific agencies that offered direct service in the area of emergency shelter, emergency rent and utility assistance. Providing a database of wide-ranging volunteer opportunities assists non-profit agencies in every sector of the community in maintaining a supply of dedicated, enthusiastic workers and donors to fulfill the mission of their organization. 2-1-1 is there when people need it, a vital, proven part of the human service infrastructure.

Donor designations

United Way offers donor choice options through our annual campaign. Donors may opt to donate to a number of health and human service agencies. Approximately 88 local agencies receive donor-designated monies in addition to those receiving annual allocations. Organizations receiving donor-designated funds undergo a screening process which includes:

- 1) *Completion of an application*
- 2) *Verification of status as an IRS 501(c)(3) nonprofit organization*
- 3) *Verification of compliance with the provisions of the Patriot Act*

AmeriCorps VISTA (Volunteers in Service to America)

United Way's AmeriCorps VISTA program, Project UNITE, is part of the national service program designed specifically for the purpose of fighting poverty. United Way serves as a regional intermediary agency and is assigned up to 21 AmeriCorps VISTA members who serve full-time for one year with area schools for capacity building in the area of parent and community engagement. AmeriCorps VISTAs help build human capacity, financial capacity, and social capacity in host sites and/or schools where they are assigned. United Way of the CSRA receives support funds necessary for regional program supervision and oversight from the Corporation for National Community Service. In 2020, this program served the Richmond County Wraparound Service Center and 5 Columbia County schools, engaged more than 482 volunteers and leveraged over \$250,804 of cash (grants, donations, and fundraising) and non-cash resources (in-kind goods and services) to support community nonprofits, and identified numerous partnerships.

Donated services and goods

A substantial number of volunteers have donated approximately 7,400 hours to United Way's program services and fundraising campaign during the year; however, these donated services are not reflected in the financial statements since the services do not meet the requirements to be recorded under generally accepted accounting principles.

Materials and other assets received as donations are recorded as in-kind and reflected in the accompanying financial statements at their fair values at the date of donation. The in-kind reflected in the accompanying financial statements also includes expenses of \$750,065 and \$437,972 for the year ended December 31, 2020 and 2019, respectively, paid for grants administered by United Way and paid by other agencies.

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**CASH AND CASH EQUIVALENTS** - United Way considers all highly liquid investments with a maturity at the time of purchase of three months or less to be cash equivalents. United Way places its cash and cash equivalents with high quality financial institutions. At times, such balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) Insurance limits. Management believes the Organization is not exposed to any significant credit risk on United Way's cash and cash equivalents.

**RESTRICTED CASH** - Cash identified on the statement of financial position as restricted cash represents funds received and held for donor and grantor designated purpose.

**AVAILABILITY OF FUNDS FOR GENERAL EXPENDITURES** - United Way has certain net assets that are available for general expenditures within one year of December 31, 2020 and 2019 based on conducting the normal activities of its programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year (See Note 2).

**PROVISIONS FOR UNCOLLECTIBLE PLEDGES** - A provision for uncollectible pledges is computed based upon a historical average adjusted for management estimates of current economic factors and applied to the accounts receivable balance at year end. (See Note 3).

**EQUIPMENT** - Equipment with a useful life of greater than one year and with a cost of \$1,000 or more is considered a capital asset. Equipment is recorded at cost (or fair value of donated assets) and is depreciated using the straight-line method over an estimated useful life of 3-7 years.

**DEFERRED REVENUE** - Deferred revenue consists of grant amounts received but not yet expended for the grant of designated purposes.

**ADVERTISING COSTS** - Advertising costs, including amount within in-kind separately stated on the statements of functional expenses, are expensed as incurred and totaled \$29,287 and \$53,508 for the years ended December 31, 2020 and 2019, respectively.

**INCOME TAXES** - United Way is not-for-profit organization that is exempt from Federal Income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, United Way has been classified as an organization that is not a private foundation under Section 509(a)(2). United Way is not aware of any material uncertain tax positions as of December 31, 2020.

**EXPENSE ALLOCATION** - The costs of providing various programs and activities have been summarized of a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Expenses of the United Way include:

**Program services expenses** - Program services expenses include direct costs associated with providing funding to other charitable organizations, fulfilling grant obligations, funding the community investments, and running the 2-1-1 information and referral program.

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Management and general expenses** - Management, general, and marketing expenses included the general, administrative, and operating costs of United Way.

**Resource development and fundraising expenses** - These expenses include costs incurred from soliciting donations through workplace campaigns, special events, and other activities that raise resources for United Way and the community.

The statements of functional expenses present expenses by function and nature classification. Expenses directly attributable to a specific functional area of United Way are reported as expenses of those functional areas. A portion of general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across programs and other support services based on the proportion of full-time employee equivalents of a program or other support service versus the total organizational full-time employee equivalents.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, health & life insurance, retirement, payroll taxes, supplies - office, telephone, occupancy, general insurance, a portion of gifts in-kind, depreciation expense of equipment, and United Way Worldwide investment, which are allocated on the basis of estimates of time and effort. The remaining expenses do not require allocation and are directly attributable to a specific functional area and are therefore reported as such.

**ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT** - In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. ASU 2018-08 is applied prospectively, and is effective for years beginning after December 15, 2019. Management adopted ASU 2018-08 effective January 1, 2020. The adoption of the new standard had no impact on United Way's financial statements.

**SUBSEQUENT EVENTS** - The Organization has evaluated subsequent events through May 11, 2021, the date the financial statements were available to be issued.

NOTE 2 - LIQUIDITY

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows at December 31:

	<u>2020</u>	<u>2019</u>
Cash	\$ 1,813,729	\$ 1,835,002
Pledges receivable, net	545,629	796,136
Accounts receivable, net	8,549	2,306
	<u>\$ 2,367,907</u>	<u>\$ 2,633,444</u>

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - LIQUIDITY (continued)

As part of its liquidity management plan, United Way has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. Additionally, United Way invests excess cash in short-term investments, including interest bearing checking and savings accounts.

NOTE 3 - PLEDGES RECEIVABLE

Included in pledges receivable are the following unconditional promises to give at December 31:

	<u>2020</u>	<u>2019</u>
2017 Fall campaign	\$ -	\$ 10,000
2018 Fall campaign	-	370,449
2019 Fall campaign	391,908	797,722
2020 Fall campaign	440,221	-
Less provision for uncollectible pledges	<u>(286,500)</u>	<u>(382,035)</u>
Net campaign pledges receivable	<u>\$ 545,629</u>	<u>\$ 796,136</u>

NOTE 4 - BENEFICIAL INTEREST IN ASSETS HELD BY THE COMMUNITY FOUNDATION

During 2018, the Organization transferred assets to The Community Foundation for the Central Savannah River Area (the “Community Foundation”) which is holding them as endowed component funds (“Funds”) for the benefit of the Organization. The assets transferred to the Funds include assets with donor restrictions for the quasi-endowment fund and assets with donor restrictions for the United Service Organization. The Organization has granted the Community Foundation variance power which gives the Community Foundation’s Board of Directors the power to use the Funds for other purposes in certain circumstances. The Funds are subject to the Community Foundation’s investment and spending policies. The Community Foundation’s Board of Directors has established an annual spendable amount which is available for distribution from the Funds each year. Currently, this spendable amount is 4.5% of the three-year average of the annual fund balance. The Organization’s representatives may request different distributions from the Funds as they see fit, subject to the Community Foundation’s approval. Any portion of the income and earnings not expended in any given year will be accumulated and reinvested by the Community Foundation. Such accumulations are defined as income and are available for use in subsequent years to sustain the mission of the Organization. The Organization reports the fair value of the Funds as Beneficial Interest in Assets Held by the Community Foundation in the statements of financial position and reports distributions received as investment income, when applicable. Changes in the value of the Funds are reported as gains in the statements of activities.



UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - BENEFICIAL INTEREST IN ASSETS HELD BY THE COMMUNITY FOUNDATION  
(continued)

Changes in Funds for the year ending December 31 are as follows:

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 120,175	\$ 99,964
United way contribution to Quasi-endowment	-	1,941
Share of gain of pooled investments	14,386	19,606
Administrative fees	<u>(1,387)</u>	<u>(1,336)</u>
	<u>\$ 133,174</u>	<u>\$ 120,175</u>

Funds, stated at fair value, at December 31, 2020 and 2019 consisted of pooled investments.

NOTE 5 - FURNITURE AND EQUIPMENT

The following is a summary of furniture and equipment at December 31:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 88,969	\$ 88,969
Less accumulated depreciation	<u>(84,745)</u>	<u>(80,053)</u>
	<u>\$ 4,224</u>	<u>\$ 8,916</u>

NOTE 6 - PAYROLL PROTECTION PROGRAM LOAN

The Organization has experienced a disruption of normal business operations caused from COVID-19 (“Coronavirus”) during 2020 as well as subsequent to the year ended December 31, 2020. The financial impact determined through the date of this report is minimal; however, it is reasonably possible that changes in risks in the near term could occur which could result in a material change to future financial statements.

On April 15, 2020, the Organization obtained a Small Business Administration (“SBA”) loan under the Paycheck Protection Program (“PPP”) in the amount of \$176,157. The PPP loan bears interest at 1%. Beginning on November 15, 2020, the PPP loan requires monthly interest and principal payments of \$9,914 through its maturity date in April 2022, at which time the outstanding balance is due in full. As of December 31, 2020, the current portion and long-term portion of the loan are \$136,585 and \$39,572, respectively.

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - PAYROLL PROTECTION PROGRAM LOAN (continued)

Under the terms of Coronavirus Aid, Relief, and Economic Securities Act (the “Cares Act”), the Organization may apply for PPP loan proceeds to be forgiven with the lending institution, provided the proceeds are used for covered payroll and other specific expenses within 24 weeks of receipt of the funding. The Organization validates that all criteria of the PPP forgiveness plan has been met.

The Organization received 100% loan forgiveness of the principal totaling \$175,157 and interest of \$1,806 in May 2021. The forgiveness will be recognized as other income in 2021.

NOTE 7 - NET ASSETS AND RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified time:		
Fall Campaign (2020 and 2019)	\$ 756,429	\$ 933,696
Subject to expenditure for specified purpose:		
United Service Organization	80,000	80,000
COVID 19 Relief	41,659	-
Various local initiatives	54,217	-
Quasi-endowment fund	<u>35,393</u>	<u>35,393</u>
 Total net assets with donor restrictions	 <u>\$ 967,698</u>	 <u>\$ 1,049,089</u>

NOTE 8 - FAIR VALUE MEASUREMENTS

The framework used to measure fair value provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical securities that the Organization has the ability to access
- Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)
- Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments)

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - FAIR VALUE MEASUREMENTS (continued)

The inputs and methodology used for valuing the Organization's financial assets and liabilities are not indicators of the risks associated with those instruments. There have been no changes in the methodologies used.

Pooled investments - The investments maintained at the Community Foundation for the Central Savannah River Area are valued at the amount provided by the Community Foundation at December 31, 2020 and 2019 based on the Foundation's proportionate share of the total fair market value of the Foundation's pooled investment account.

	<u>Fair Value</u>	<u>Quoted Market Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>2020</u>				
Pooled investments	\$ 133,174	\$ -	\$ 133,174	\$ -
<u>2019</u>				
Pooled investments	\$ 120,175	\$ -	\$ 120,175	\$ -

NOTE 9 - RETIREMENT PLAN

The Organization sponsors an employee retirement plan covering substantially all of its employees. Employer contributions to the plan are 10% of an eligible employee's compensation. Retirement plan expense for the years ended December 31, 2020 and 2019 was \$68,155 and \$63,527, respectively.

NOTE 10 - SUPPORT FROM MAJOR DONORS

The Organization received 37% and 43% of contribution revenue from two donor companies during the years ended December 31, 2020 and 2019, respectively. One donor company comprises 31% and 28% of pledges receivable at December 31, 2020 and 2019, respectively. A significant reduction in the level of this support, if it were to occur, might have a significant effect on the Organization's allocations to agencies.

UNITED WAY OF THE CENTRAL SAVANNAH RIVER AREA, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 11 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially expose the Organization to concentrations of credit risk consist primarily of cash and pledges receivable. Credit risk is generally diversified due to the large number of entities comprising the pledge base, although the geographic concentration in the Augusta, Georgia area and support from major contributors (See Note 10) results in the Organization being susceptible to economic conditions in the region.

The Organization maintains cash balances at several financial institutions located in Augusta, Georgia. At times, such balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limits. Management believes the Organization is not exposed to any significant credit risk as a result.

NOTE 12 - LEASE COMMITMENTS

The Organization leases office space in Augusta, Georgia. The terms of the lease require a security deposit of \$2,342, equal to one month's rent. The lease was renewed and amended on December 31, 2013. The amendment extended the lease for nine years at the same monthly rate and required a \$150,000 one-time payment on December 31, 2013. This amount is included in prepaids and amortized over the life of the lease. The balance at December 31, 2020 and 2019 was \$33,333 and \$50,000, respectively. Rent expense for the years ended December 31, 2020 and 2019 was \$50,698 and \$50,884, respectively. Future minimum lease payments are as follows:

2021	\$ 28,104
2022	<u>28,104</u>
Total	<u>\$ 56,208</u>

NOTE 13 - CONTINGENCIES

In March 2020, the Director General of the World Health Organization declared COVID-19 a pandemic. The Organization is still assessing the impact COVID-19 may have on its operations, but there can be no assurance that this analysis will enable the Organization to avoid part or all of any impact from the spread of COVID-19 or its consequences, including downturns in business sentiment generally. The extent to which the COVID-19 pandemic and global efforts to contain its spread will impact the Organization's operations will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the pandemic and the actions taken to contain or treat the COVID-19 pandemic.