

UNITED WAYS OF ALABAMA
MONTGOMERY, ALABAMA
DECEMBER 31, 2019

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UNITED WAYS OF ALABAMA
MONTGOMERY, ALABAMA
DECEMBER 31, 2019

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(1924-2012)

Members:
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Ways of Alabama
Montgomery, Alabama

We have audited the accompanying financial statements of United Ways of Alabama (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Summarized Comparative Information

We have previously audited the United Ways of Alabama's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of receipts and disbursements for the State Combined Campaign and Montgomery Area State Combined Campaign on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Diamond, Carmichael & Gary, P.A.

DIAMOND, CARMICHAEL & GARY, P.A.
Certified Public Accountants
Montgomery, Alabama
November 5, 2020

UNITED WAYS OF ALABAMA
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2019
 (with summarized comparative totals as of December 31, 2018)

ASSETS

	2019	2018
<i>CURRENT ASSETS</i>		
Cash and Cash Equivalents	\$ 1,633,917.13	\$ 1,137,761.51
Investments	403,022.13	396,299.03
Accounts Receivable	112,272.47	17,981.96
<i>Total Current Assets</i>	\$ 2,149,211.73	\$ 1,552,042.50
 <i>PROPERTY AND EQUIPMENT</i>		
Equipment	\$ 10,924.16	\$ 10,924.16
Less: Accumulated Depreciation	(10,168.68)	(9,930.63)
<i>Net Property and Equipment</i>	\$ 755.48	\$ 993.53
 <i>TOTAL ASSETS</i>		
	\$ 2,149,967.21	\$ 1,553,036.03

LIABILITIES AND NET ASSETS

<i>CURRENT LIABILITIES</i>		
Accounts Payable	\$ 99,776.29	\$ 17,104.14
Payroll Taxes Payable	516.01	380.56
Agency Payable - Hyundai	48,450.92	125,433.65
Agency Payable - State Combined Campaign	93,807.60	93,445.58
Agency Payable - Montgomery Area State Combined Campaign	34,607.98	23,268.39
<i>Total Current Liabilities</i>	\$ 277,158.80	\$ 259,632.32
 <i>NET ASSETS</i>		
Without Donor Restrictions	\$ 336,391.05	\$ 382,787.19
With Donor Restrictions	1,536,417.36	910,616.52
<i>Total Net Assets</i>	\$ 1,872,808.41	\$ 1,293,403.71
 <i>TOTAL LIABILITIES AND NET ASSETS</i>		
	\$ 2,149,967.21	\$ 1,553,036.03

See accompanying notes to financial statements and Independent Auditor's Report

UNITED WAYS OF ALABAMA
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

(with summarized comparative totals for the year ended December 31, 2018)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2019 Totals	2018 Totals
SUPPORT AND REVENUE				
Donations	\$ 10,137.22	\$ 698,032.61	\$ 708,169.83	\$ 252,260.47
Disaster Response Returned Funds	0.00	0.00	0.00	157,763.52
Dues	31,939.52	0.00	31,939.52	33,449.32
State Combined Campaign	103,911.39	0.00	103,911.39	99,493.12
2-1-1 Information	148,236.54	0.00	148,236.54	151,614.12
GOFBI	0.00	0.00	0.00	3.67
A-Reset Income	265,870.13	0.00	265,870.13	0.00
Charitable Campaign Fees	4,000.00	0.00	4,000.00	4,000.00
Interest Income	4,399.06	7,833.40	12,232.46	5,039.77
Investment Income (Loss), Net	1,096.78	5,447.05	6,543.83	4,496.14
	<u>\$ 569,590.64</u>	<u>\$ 711,313.06</u>	<u>\$ 1,280,903.70</u>	<u>\$ 708,120.13</u>
Net Assets Released from Restrictions				
Restrictions Satisfied by Purpose	85,512.22	(85,512.22)	0.00	0.00
Total Support and Revenue	<u>\$ 655,102.86</u>	<u>\$ 625,800.84</u>	<u>\$ 1,280,903.70</u>	<u>\$ 708,120.13</u>
OPERATING EXPENSES				
Program Services				
State Combined Campaign	\$ 86,456.00	\$ 0.00	\$ 86,456.00	\$ 82,700.89
Montgomery Area SCC	17,693.44	0.00	17,693.44	17,084.28
Disaster Response - UWAL	0.00	0.00	0.00	471.52
Disaster Response - GERF	14,068.30	0.00	14,068.30	49,141.89
Charitable Campaigns	1,564.94	0.00	1,564.94	1,695.03
2-1-1 Information	204,365.73	0.00	204,365.73	177,302.70
A-Reset Expenses	266,750.24	0.00	266,750.24	0.00
Total Program Services Expenses	<u>\$ 590,898.65</u>	<u>\$ 0.00</u>	<u>\$ 590,898.65</u>	<u>\$ 328,396.31</u>
Support Services				
Management and General	\$ 41,809.69	\$ 0.00	\$ 41,809.69	\$ 61,207.98
Fundraising	71,442.92	0.00	71,442.92	49,656.85
Total Support Services Expenses	<u>\$ 113,252.61</u>	<u>\$ 0.00</u>	<u>\$ 113,252.61</u>	<u>\$ 110,864.83</u>
Total Operating Expenses	<u>\$ 704,151.26</u>	<u>\$ 0.00</u>	<u>\$ 704,151.26</u>	<u>\$ 439,261.14</u>
OPERATING INCOME BEFORE OTHER INCOME (EXPENSES)	<u>\$ (49,048.40)</u>	<u>\$ 625,800.84</u>	<u>\$ 576,752.44</u>	<u>\$ 268,858.99</u>
OTHER INCOME (EXPENSES)				
Miscellaneous Income	\$ 2,652.26	\$ 0.00	\$ 2,652.26	\$ 0.00
Total Other Income (Expenses)	<u>\$ 2,652.26</u>	<u>\$ 0.00</u>	<u>\$ 2,652.26</u>	<u>\$ 0.00</u>
Change in Net Assets	\$ (46,396.14)	\$ 625,800.84	\$ 579,404.70	\$ 268,858.99
Net Assets- Beginning	382,787.19	910,616.52	1,293,403.71	1,024,544.72
Net Assets- Ending	<u>\$ 336,391.05</u>	<u>\$ 1,536,417.36</u>	<u>\$ 1,872,808.41</u>	<u>\$ 1,293,403.71</u>

See accompanying notes to financial statements and Independent Auditor's Report

UNITED WAYS OF ALABAMA
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(with summarized comparative totals for the year ended December 31, 2018)

	Program Services										Supporting Services		
	Montgomery Area					Total					Total		
	State Combined Campaign	State Combined Campaign	Disaster Response UWAL	Disaster Response GERF	Charitable Campaigns	2-1-1 Information	A-Reset	Program Services	Management and General	Fundraising	Supporting Services	2019 Totals	2018 Totals
Disaster Response	-	-	-	8,650.00	-	-	-	8,650.00	-	-	-	8,650.00	46,899.50
Annual Meeting	-	-	-	-	-	-	-	-	71.28	71.28	-	71.28	734.14
Salaries	45,521.63	11,100.00	-	4,365.33	-	29,154.25	16,740.19	106,881.40	23,009.93	-	23,009.93	129,891.33	113,825.93
Depreciation	238.05	-	-	-	-	-	-	238.05	-	-	-	238.05	238.05
Contract Services	-	-	-	-	-	77,500.00	239,752.88	317,252.88	-	-	-	317,252.88	72,500.08
Special Initiative	-	-	-	-	-	-	-	-	-	-	-	-	4,701.24
Audit Fees	500.00	500.00	-	600.00	-	3,000.00	1,000.00	5,600.00	4,150.00	-	4,150.00	9,750.00	9,500.00
Website	397.95	-	-	75.00	-	363.96	-	836.91	370.92	-	370.92	1,207.83	1,259.72
Campaign Materials	8,144.27	-	-	-	1,564.94	4,128.00	-	13,837.21	300.00	-	300.00	14,137.21	12,382.42
Computers	629.88	-	-	-	-	315.00	240.00	1,184.88	244.81	-	244.81	1,429.69	2,093.89
Computer Hosting	1,440.00	-	-	-	-	720.00	255.48	2,415.48	464.52	-	464.52	2,880.00	2,880.00
Functions	2,025.78	-	-	-	-	1,114.48	-	3,140.26	-	-	-	3,140.26	2,921.41
Conference	2,457.49	82.86	-	-	-	-	-	2,540.35	-	-	-	2,540.35	2,707.21
Bank Fees	-	-	-	10.00	-	-	-	10.00	-	-	-	10.00	4.95
Insurance	6,562.30	1,617.80	-	-	-	3,345.26	972.23	12,497.59	4,330.39	-	4,330.39	16,827.98	16,431.07
Retirement	4,080.00	1,110.24	-	-	-	2,767.44	923.40	8,881.08	2,218.92	-	2,218.92	11,100.00	10,610.16
Office Expense	618.02	-	-	150.00	-	193.34	1,462.95	2,424.31	511.49	-	511.49	2,935.80	1,761.86
Copier	-	1,998.87	-	-	-	900.00	292.88	3,191.75	607.12	-	607.12	3,798.87	3,142.40
Office Space	7,587.00	-	-	-	-	3,870.96	1,762.70	13,220.66	2,262.94	-	2,262.94	15,483.60	15,483.60
Software	1,182.31	180.00	-	-	-	17,408.35	-	18,770.66	957.00	-	957.00	19,727.66	20,521.95
Postage	712.50	-	-	92.00	-	-	-	804.50	55.00	-	55.00	859.50	698.19
PayPal Fees	318.25	-	-	-	-	-	-	318.25	-	-	-	318.25	387.45
Payroll Taxes	3,387.96	854.14	-	125.97	-	2,252.93	1,280.87	7,901.87	1,687.35	-	1,687.35	9,589.22	8,086.99
Telephone	615.49	249.53	-	-	-	33,340.77	1,642.42	35,848.21	277.01	-	277.01	36,125.22	20,231.38
Translation Service	-	-	-	-	-	1,078.34	-	1,078.34	-	-	-	1,078.34	537.70
Travel	37.12	-	-	-	-	118.85	126.30	282.27	89.58	-	89.58	371.85	1,255.95
Meeting Expense	-	-	-	-	-	519.59	297.94	817.53	201.43	-	201.43	1,018.96	757.05
211 Expenses	-	-	-	-	-	22,274.21	-	22,274.21	-	-	-	22,274.21	17,050.00
Event Costs	-	-	-	-	-	-	-	-	-	71,442.92	71,442.92	71,442.92	49,656.85
Total Expenses	\$ 86,456.00	\$ 17,693.44	\$ -	\$ 14,068.30	\$ 1,564.94	\$ 204,365.73	\$ 266,750.24	\$ 590,898.65	\$ 41,809.69	\$ 71,442.92	\$ 113,252.61	\$ 704,151.26	\$ 439,261.14

See accompanying notes to financial statements and Independent Auditor's Report

UNITED WAYS OF ALABAMA
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019

(with summarized comparative totals for the year ended December 31, 2018)

	2019	2018
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Change in Net Assets	\$ 579,404.70	\$ 268,858.99
Adjustment to reconcile change in net assets to net cash provided (used) in operating activities:		
Depreciation	238.05	238.05
Effects of changes in operating assets and liabilities:		
Accounts Receivable	(94,290.51)	177,854.26
Accounts Payable and Payroll Taxes Payable	82,807.60	3,176.30
Agency Payable	(65,281.12)	(52,595.50)
Net Cash Provided (Used) By Operating Activities	\$ 502,878.72	\$ 397,532.10
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>		
Purchase of Equipment	\$ 0.00	\$ 0.00
Net Proceeds (Purchase) of Investments in Certificate of Deposit	(179.27)	(190,000.00)
Receipt of (Interest), (Gains), and Losses on Investments	(6,543.83)	(4,495.14)
Net Cash Provided (Used) By Investing Activities	\$ (6,723.10)	\$ (194,495.14)
<i>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</i>	\$ 496,155.62	\$ 203,036.96
<i>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</i>	1,137,761.51	934,724.55
<i>CASH AND CASH EQUIVALENTS, END OF YEAR</i>	\$ 1,633,917.13	\$ 1,137,761.51

See accompanying notes to financial statements and Independent Auditor's Report

UNITED WAYS OF ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1- NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Ways of Alabama (UWAL) is a nonprofit corporation organized on February 26, 2004 and is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. The UWAL is governed by a board of directors composed of local United Way Presidents and Executive Directors.

The organization's purpose is to benefit local United Ways by fundraising on behalf of its members, to advocate the benefits of local United Ways throughout Alabama, manage and coordinate the "2-1-1 Connects Alabama" system and act as an agent for funds restricted by donors for specific agencies or specific purposes. The UWAL conducts charitable campaigns for the Team Members of Hyundai Motor Manufacturing Alabama and the employees of Alabama State Employees Combined Campaign. The UWAL provides direct disaster response assistance in addition to managing the Governor's Emergency Relief Fund (GERF). The UWAL also provides help for the homeless and other special projects as deemed appropriate by the Board.

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 (GAAP).

Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Trustees (the Board) and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

The Organization recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There were no conditional promises to give for the year ended December 31, 2019.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reporting amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

For the purpose of the statement of cash flows, UWAL considers all temporary cash investments with original maturity at the date of purchase of three months or less to be cash equivalents.

Accounts Receivable Valuation

Accounts receivable are presented at face value, net of the allowance for doubtful accounts. Management considers all accounts to be essentially collectible and, therefore, has not established a provision for uncollectible accounts.

UNITED WAYS OF ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1- NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Equipment, and Depreciation

The organization capitalizes all additions and betterments with a value over \$2,500, and expenditures for repairs and maintenance are expensed when incurred. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Depreciation expense for the years ended December 31, 2019 and 2018 was \$238.05 and \$238.05, respectively.

Donated Services

Many individuals have donated time and services to advance the organization's programs and objectives. The value of these services has not been recorded in the financial statements because they do not meet the definition for recognition under generally accepted accounting principles.

Contributions

The Organization recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There were no conditional promises to give for the year ended December 31, 2019.

Summarized Prior Year Information

The financial statements include summarized comparative information from the prior year in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. This information should be read in conjunction with the organization's financial statements for the year ended December 31, 2018, from which the comparative information was derived.

Investments

Investments are reported at fair value.

Fair Value Measurements

Generally accepted accounting principles provide a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Assets and liabilities that are required to be recorded at fair value in the statement of financial position are categorized based on the inputs to valuation techniques as follows:

Level 1 - These are assets and liabilities where values are based on unadjusted quoted prices for identical assets in an active market that the Organization has the ability to access. As of December 31, 2019, these assets include money market funds, savings deposits and certificates of deposit.

Level 2 - These are assets and liabilities where values are based on the following inputs:

- Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted prices that are observable for the asset or liability.
 - Inputs which are derived principally from or corroborated by observable market data by correlation or other means.
- As of December 31, 2019, there are no level 2 assets or liabilities.

Level 3 - These are assets and liabilities where inputs to the valuation methodology are unobservable and significant to the fair value measurement. As of December 31, 2019, there are no Level 3 assets or liabilities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

UNITED WAYS OF ALABAMA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2019

NOTE 1- NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses

Expenses are recognized by the Organization on an accrual basis. Expenses paid in advance and not yet incurred are recorded as prepaid until the applicable period. The costs of providing program and supporting services have been summarized by function in the Statements of Activities.

Functional Allocation of Expenses

The Statements of Functional Expenses presents expenses by function and natural classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributable to a specific functional area of UWAL are reported as expenses to those functional areas. A portion of management and general costs that benefit multiple functional areas (indirect costs) have been allocated across programs and supporting services based on the proportion of full-time employee equivalents of a program or supporting services versus the total organizational full-time employee equivalents, based on time and effort. Salaries, depreciation, office expense, computers, insurance and others are allocated based on time and effort. Office space expense is allocated on a square footage & usage basis.

Supporting Services

Management and General

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy through the Office of the President; secure proper administrative functioning of the Board of Directors; maintain competent legal services for the program administration of the Organization; and manage the financial and budgetary responsibilities of the Organization.

Fundraising

This supporting service category includes expenditures which provide the structure necessary to encourage and secure private financial support.

Income Taxes

UWAL is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. Since the Organization has an exempt status from income tax liability, no provision is made for current or deferred tax expenses. The Organization has analyzed its tax status for filings with the Internal Revenue Service (IRS) and the State of Alabama. The UWAL believes that its income tax filing status will be sustained in the case of a possible examination and does not anticipate any adjustments that would result in a material or adverse effect on the UWAL's financial condition, results of operations, or cash flows. Tax returns filed for the last three fiscal reporting years remain subject to examination by the IRS. UWAL uses the same accounting methods for income tax and financial reporting purposes.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable consist of the following amounts as of December 31, 2019:

	2019
Federal and Stated Campaigns	\$ 297.71
Various Receivables	242.19
Accrued Interest	707.10
A-Reset Receivable	95,150.90
SCC LARC Software Receivable	180.00
Statewide and Montgomery Area Combined Campaign	15,694.57
	\$ 112,272.47

UNITED WAYS OF ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 - INVESTMENTS

The following are the major categories of investments measured at fair value on a recurring basis during the year ended December 31, 2019. See Note 1 for a discussion on the Organization's accounting policies.

	Cost	Fair Value Level 1
Money Market Fund	\$ 1,030.77	\$ 1,030.77
Savings Deposit	98,219.25	98,219.25
Certificates of Deposit	303,501.12	303,772.11
	\$ 402,751.14	\$ 403,022.13
Investment: Without Donor Restrictions		\$ 95,573.34
Investments: With Donor Restrictions		307,448.79
		\$ 403,022.13

The following table presents further detail for investments at year end:

	2019
Beginning Certificate of Deposit (With Donor Restrictions)	\$ 396,299.03
Additional Funds Deposited (With Donor Restrictions)	179.27
Investment Income:	
Investment Interest - With Donor Restrictions	5,168.82
Investment Interest - Without Donor Restrictions	1,104.02
Unrealized Gains/(Losses) - With Donor Restrictions	163.41
Unrealized Gains/(Losses) - Without Donor Restrictions	107.58
	\$ 403,022.13

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

The UWAL has two funds restricted for disaster emergency response and relief. The UWAL serves as the fiscal agent for the Governor's Emergency Relief Fund (GERF). The GERF was established by proclamation to provide assistance to individuals and organizations with recovery costs that are a direct result of a disaster or emergency. The GERF operates on a year-round basis to help residents of Alabama (current and evacuees), local businesses and organizations who have exhausted all other avenues of relief. The focus of funding is to assist with recovery costs that exceed the coverage provided by insurance, government funding and relief organizations.

The UWAL Disaster Response Fund operates, like the Governor's Emergency Relief Fund, to provide assistance to individuals and organizations with recovery costs that are a direct result of a disaster or emergency.

UNITED WAYS OF ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets are released from donor restrictions when expenses are incurred to satisfy the restricted purpose or by occurrence of the events as specified by donors or the passage of time. Changes in net assets with donor restrictions consist of the following for the year ended December 31, 2019:

	Beginning <u>Balance</u>	Income/(Losses)	Releases	Ending <u>Balance</u>
Disaster Response-UWAL	97,397.06	2,052.26	0.00	99,449.32
Disaster Response-GERF	813,219.46	709,260.80	(85,512.22)	1,436,968.04
	<u>\$ 910,616.52</u>	<u>\$ 711,313.06</u>	<u>\$ (85,512.22)</u>	<u>\$ 1,536,417.36</u>

NOTE 5 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The UWAL's financial assets available within one year of the statement of financial position date for general expenditures is as follows:

	<u>2019</u>
Cash and Cash Equivalents	\$ 1,633,917.13
Investments	403,022.13
Accounts Receivable	112,272.55
Total Financial Assets	<u>\$ 2,149,211.81</u>
Less Amounts Unavailable for General Expenditures Within One Year, Due to:	
Agency Payable - Charitable Campaigns	(176,866.50)
Restricted by Donor With Purpose Restrictions	(1,536,417.36)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 435,927.95</u>

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable consist of the following as of December 31, 2019:

	<u>2019</u>
Accounts Payable	\$ 492.76
SCC - Special Payable	13,028.03
A-Reset Payable	86,255.50
	<u>\$ 99,776.29</u>

NOTE 7 - AGENCY PAYABLE

The UWAL administers various charitable campaigns for the State of Alabama and Hyundai. The UWAL collects the contributions from the entities for the ultimate benefit of a third-party charitable beneficiary. Amounts received and not yet remitted to the charitable beneficiary are reported as a liability.

The UWAL also administers the Leadership Conference for the Governor's Office of Volunteer Services. (GOVS). These funds are remitted to the UWAL to hold until invoices are submitted for disbursements.

UNITED WAYS OF ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 - OPERATING LEASE COMMITMENTS

The UWAL leases office space at 8 Commerce Street, Suite 1140 from JP-8 Comm, LLC on a month to month basis with a monthly payment of \$1,290.30. The UWAL also leases a copier from US Bank Equipment Financing for \$263.66 per month for 48 months with the term ending August 6, 2023. The UWAL future minimum lease payments are as follows:

Year Ending <u>December 31,</u>	<u>Amount</u>
2020	3,163.92
2021	3,163.92
2022	2,109.28
2023	0.00
2024	0.00

The lease expense for each of the years ended December 31, 2019 and 2018 is \$19,282.47 and \$18,626.00, respectively.

NOTE 9 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the UWAL to concentrations of credit risk consist primarily of cash in financial institutions. At December 31, 2019, the UWAL's cash and cash equivalents were maintained primarily with three financial institutions in Montgomery, Alabama, which exceeds federally insured amounts. The cash balances which exceed federally insured amounts is \$237,969.56.

NOTE 10 - RETIREMENT PLAN

The UWAL provides a defined contribution retirement plan for all eligible employees. The retirement expense for the years ended December 31, 2019 and 2018, is \$11,100.00 and \$10,610.16, respectively.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Grants and contracts require the fulfillment of certain conditions as set forth in the instrument of the grant or contract. Failure to fulfill the conditions could result in the return of funds to the grantor. Management believes the UWAL is in compliance with all such conditions, and accordingly, no liability has been accrued in the accompanying financial statements.

NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 5, 2020, the date on which the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure in the financial statements.

UNITED WAYS OF ALABAMA
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS FOR THE
 STATE COMBINED CAMPAIGN AND MONTGOMERY AREA STATE COMBINED CAMPAIGN
 FOR THE YEAR ENDED DECEMBER 31, 2019

	State Combined Campaign	Montgomery Area State Combined Campaign
BEGINNING CASH - JANUARY 1, 2019	\$ 93,465.60	\$ 23,268.39
 <u>2017-2018 Campaign</u>		
Receipts	0.00	21,355.63
Disbursements	0.00	(40,020.89)
 <u>2018-2019 Campaign</u>		
Receipts	20,420.00	86,022.45
Payroll Deduction Receipts	0.00	339,736.17
Disbursements	(113,865.58)	(395,753.77)
Service Charge	(20.00)	0.00
 <u>2019-2020 Campaign</u>		
Receipts	184,044.42	0.00
Disbursements	(90,216.82)	0.00
 ENDING CASH - DECEMBER 31, 2019	 <u>\$ 93,827.62</u>	 <u>\$ 34,607.98</u>