

UNITED WAYS OF ALABAMA
MONTGOMERY, ALABAMA
DECEMBER 31, 2021

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TABLE OF CONTENTS

	PAGE
Board of Directors	1
Independent Auditors' Report	2-3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-15
Schedule of Receipts and Disbursements for the State Combined Campaign and the Montgomery Area State Combined Campaign	16

UNITED WAYS OF ALABAMA
MONTGOMERY, ALABAMA
DECEMBER 31, 2021

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Jeff Cothran	Vice President
Shannon Jenkins	Secretary
Clay Vandiver	Treasurer

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Becky Booker	Executive Director
Drew Langloh	Immediate Past President

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of United Ways of Alabama (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Ways of Alabama as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Ways of Alabama and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Ways of Alabama's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Ways of Alabama's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Ways of Alabama's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of receipts and disbursements for the State Combined Campaign and Montgomery Area State Combined Campaign 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
October 21, 2022

UNITED WAYS OF ALABAMA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021

(with summarized comparative totals as of December 31, 2020)

ASSETS		
	2021	2020
<i>CURRENT ASSETS</i>		
Cash and Cash Equivalents	\$ 276,104.94	\$ 282,179.24
Restricted Cash and Cash Equivalents	1,510,356.84	1,619,473.53
Investments	95,965.50	95,924.97
Restricted Investments	388,969.44	388,792.36
Accounts Receivable	403,671.60	107,956.07
<i>Total Current Assets</i>	\$ 2,675,068.32	\$ 2,494,326.17
<i>PROPERTY AND EQUIPMENT</i>		
Equipment	\$ 10,924.16	\$ 10,924.16
Less: Accumulated Depreciation	(10,644.78)	(10,406.73)
<i>Net Property and Equipment</i>	\$ 279.38	\$ 517.43
<hr/>		
<i>TOTAL ASSETS</i>	\$ 2,675,347.70	\$ 2,494,843.60
<hr/>		
LIABILITIES AND NET ASSETS		
<i>CURRENT LIABILITIES</i>		
Accounts Payable	\$ 435,796.86	\$ 120,857.33
Payroll Taxes Payable	812.17	522.79
Deferred Revenue	-	643.69
Agency Payable - Hyundai	109,049.25	197,376.64
Agency Payable - State Combined Campaign	69,172.58	46,166.82
Agency Payable - Montgomery Area State Combined Campaign	24,001.13	26,287.88
Agency Payable - GOVS Leadership Conference	52,506.75	-
<i>Total Current Liabilities</i>	\$ 691,338.74	\$ 391,855.15
<i>NET ASSETS</i>		
Without Donor Restrictions	\$ 338,439.54	\$ 363,837.64
With Donor Restrictions	1,645,569.42	1,739,150.81
<i>Total Net Assets</i>	\$ 1,984,008.96	\$ 2,102,988.45
<hr/>		
<i>TOTAL LIABILITIES AND NET ASSETS</i>	\$ 2,675,347.70	\$ 2,494,843.60
<hr/>		

UNITED WAYS OF ALABAMA
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(with summarized comparative totals for the year ended December 31, 2020)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2021 Totals	2020 Totals
SUPPORT AND REVENUE				
Donations	\$ 9,797.36	\$ 148,328.82	\$ 158,126.18	\$ 728,438.97
Dues	31,307.03	-	31,307.03	31,745.10
State Combined Campaign	104,261.10	-	104,261.10	103,647.91
2-1-1 Information	165,547.25	-	165,547.25	148,563.32
Governor's Office of Volunteer Services	218.25	-	218.25	255.00
A-RESET Contract Revenue	649,007.28	-	649,007.28	558,117.74
ASDOE Grant Revenue	109,500.00	-	109,500.00	-
CMS Grant Revenue	126,551.11	-	126,551.11	-
ADPH Grant Revenue	317,313.02	-	317,313.02	-
Charitable Campaign Fees	4,000.00	-	4,000.00	4,000.00
Interest Income	278.46	1,743.54	2,022.00	9,704.07
Investment Income, Net	40.53	177.08	217.61	1,695.21
	<u>\$ 1,517,821.39</u>	<u>\$ 150,249.44</u>	<u>\$ 1,668,070.83</u>	<u>\$ 1,586,167.32</u>
Net Assets Released from Restrictions				
Restrictions Satisfied by Purpose	243,830.83	(243,830.83)	-	-
<i>Total Support and Revenue</i>	<u>\$ 1,761,652.22</u>	<u>\$ (93,581.39)</u>	<u>\$ 1,668,070.83</u>	<u>\$ 1,586,167.32</u>
OPERATING EXPENSES				
Program Services				
State Combined Campaign	\$ 87,886.96	\$ -	\$ 87,886.96	\$ 87,657.51
Montgomery Area SCC	16,599.12	-	16,599.12	16,228.45
Charitable Campaigns	1,586.11	-	1,586.11	1,680.74
Disaster Response - UWAL	35.08	-	35.08	414,444.44
Disaster Response - GERF	201,317.65	-	201,317.65	72,726.01
2-1-1 Information	221,698.85	-	221,698.85	212,812.76
A-RESET Expenses	649,458.77	-	649,458.77	558,712.92
ASDOE Expenses	109,708.80	-	109,708.80	-
CMS Expenses	126,551.11	-	126,551.11	-
ADPH Expenses	294,946.89	-	294,946.89	-
Total Program Services Expenses	<u>\$ 1,709,789.34</u>	<u>\$ -</u>	<u>\$ 1,709,789.34</u>	<u>\$ 1,364,262.83</u>
Support Services				
Management and General	\$ 34,782.88	\$ -	\$ 34,782.88	\$ 37,586.22
Fundraising	42,478.10	-	42,478.10	8,997.60
Total Support Services Expenses	<u>\$ 77,260.98</u>	<u>\$ -</u>	<u>\$ 77,260.98</u>	<u>\$ 46,583.82</u>
<i>Total Operating Expenses</i>	<u>\$ 1,787,050.32</u>	<u>\$ -</u>	<u>\$ 1,787,050.32</u>	<u>\$ 1,410,846.65</u>
OPERATING INCOME (LOSS) BEFORE OTHER INCOME (EXPENSES)	<u>\$ (25,398.10)</u>	<u>\$ (93,581.39)</u>	<u>\$ (118,979.49)</u>	<u>\$ 175,320.67</u>
OTHER INCOME (EXPENSES)				
Miscellaneous Income	\$ -	\$ -	\$ -	\$ 3.06
PPP Loan Forgiveness	-	-	-	30,500.00
Alabama CARES	-	-	-	24,356.31
<i>Total Other Income (Expenses)</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,859.37</u>
CHANGE IN NET ASSETS	<u>\$ (25,398.10)</u>	<u>\$ (93,581.39)</u>	<u>\$ (118,979.49)</u>	<u>\$ 230,180.04</u>
NET ASSETS - BEGINNING	<u>363,837.64</u>	<u>1,739,150.81</u>	<u>2,102,988.45</u>	<u>1,872,808.41</u>
NET ASSETS - ENDING	<u>\$ 338,439.54</u>	<u>\$ 1,645,569.42</u>	<u>\$ 1,984,008.96</u>	<u>\$ 2,102,988.45</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, 2021
(with summarized comparative totals for the year ended December 31, 2020)

	Program Services						Supporting Services			Total	
	Charitable Campaigns	Disaster Response	2-1-1 Information	Contract Programs	Grant Programs	Program Services	Management and General	Fundraising	Supporting Services		
											Totals
Disaster Response	-	192,849.15	-	-	-	192,849.15	-	-	-	192,849.15	477,168.55
Annual Meeting	-	-	-	-	-	-	76.81	-	76.81	76.81	-
Salaries	62,182.14	6,582.95	30,944.22	38,499.89	14,385.45	152,594.65	21,991.63	-	21,991.63	174,586.28	159,006.05
Depreciation	238.05	-	-	-	-	238.05	-	-	-	238.05	238.05
Contract Services	-	-	120,074.44	586,790.85	498,878.12	1,205,743.41	-	-	-	1,205,743.41	596,925.01
Audit Fees	1,000.00	1,000.00	1,500.00	5,000.00	2,239.60	10,739.60	2,760.40	-	2,760.40	13,500.00	11,000.00
Website	497.95	100.00	459.92	-	-	1,057.87	182.42	-	182.42	1,240.29	1,602.23
Campaign Materials	7,733.93	-	2,001.22	-	8,766.00	18,501.15	-	-	-	18,501.15	12,239.08
Computers	554.33	-	195.00	143.37	-	892.70	93.84	-	93.84	986.54	759.31
Computer Hosting	1,530.00	-	765.00	1,184.78	-	3,479.78	600.22	-	600.22	4,080.00	4,080.00
Functions	580.14	-	180.00	-	-	760.14	-	-	-	760.14	2,669.60
Conference	137.48	-	-	-	-	137.48	-	-	-	137.48	32.28
Bank Fees	-	33.00	-	-	-	33.00	-	-	-	33.00	45.00
Insurance	8,868.90	-	3,612.80	1,906.81	834.87	15,223.38	3,467.76	-	3,467.76	18,691.14	17,792.96
Retirement	5,400.00	-	2,880.00	921.14	682.15	9,883.29	2,163.75	-	2,163.75	12,047.04	11,550.00
Office Expense	283.10	150.00	67.54	1,085.77	188.77	1,775.18	42.30	-	42.30	1,817.48	2,428.93
Copier Lease	2,003.63	-	923.25	866.19	46.83	3,839.90	29.41	-	29.41	3,869.31	3,597.31
Office Space Lease	7,587.00	-	3,870.96	3,487.55	-	14,945.51	538.09	-	538.09	15,483.60	15,483.60
Software	1,440.00	-	18,383.44	404.71	-	20,228.15	920.92	-	920.92	21,149.07	21,303.92
Postage	419.29	134.00	12.98	3.54	2,851.39	3,421.20	36.02	-	36.02	3,457.22	731.87
PayPal Fees	104.09	-	-	-	-	104.09	-	-	-	104.09	172.62
Payroll Taxes	4,762.34	503.63	2,357.25	2,945.25	1,100.50	11,668.97	1,598.14	-	1,598.14	13,267.11	11,985.05
Telephone	749.82	-	32,482.29	6,101.01	-	39,333.12	171.11	-	171.11	39,504.23	48,309.58
Translation Service	-	-	882.33	-	1,233.12	2,115.45	-	-	-	2,115.45	2,126.10
Travel	-	-	-	117.91	-	117.91	110.06	-	110.06	227.97	124.78
Meeting Expense	-	-	56.21	-	-	56.21	-	-	-	56.21	427.17
211 Expenses	-	-	50.00	-	-	50.00	-	-	-	50.00	50.00
Event Costs	-	-	-	-	-	-	-	42,478.10	-	42,478.10	8,997.60
Total Expenses	\$ 106,072.19	\$ 201,352.73	\$ 221,698.85	\$ 649,458.77	\$ 531,206.80	\$ 1,709,789.34	\$ 34,782.88	\$ 42,478.10	\$ 77,260.98	\$ 1,787,050.32	\$ 1,410,846.65

UNITED WAYS OF ALABAMA
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

(with summarized comparative totals for the year ended December 31, 2020)

	2021	2020
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Change in Net Assets	\$ (118,979.49)	\$ 230,180.04
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	(295,715.53)	4,316.40
Accounts Payable and Payroll Taxes Payable	367,735.66	21,087.82
Deferred Revenue	(643.69)	643.69
Agency Payable	(67,608.38)	92,964.84
Net Cash Provided (Used) By Operating Activities	\$ (114,973.38)	\$ 349,430.84
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>		
Purchase of Equipment	\$ -	\$ -
Net Proceeds (Purchase) of Investments in Certificate of Deposit	-	(80,000.00)
Receipt of (Interest), (Gains), and Losses on Investments	(217.61)	(1,695.20)
Net Cash Provided (Used) By Investing Activities	\$ (217.61)	\$ (81,695.20)
<i>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</i>	\$ (115,190.99)	\$ 267,735.64
<i>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</i>	1,901,652.77	1,633,917.13
<i>CASH AND CASH EQUIVALENTS, END OF YEAR</i>	\$ 1,786,461.78	\$ 1,901,652.77
Cash and cash equivalents	\$ 276,104.94	\$ 162,501.96
Restricted cash	1,510,356.84	1,739,150.81
<i>CASH AT END OF YEAR</i>	\$ 1,786,461.78	\$ 1,901,652.77

UNITED WAYS OF ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 CEOs.

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 Alabama's state employees via the Alabama State Employee Combined Charitable 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.

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.

Compensated Absences

Employees of the organization are entitled to paid vacation depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

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.

UNITED WAYS OF ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

Restricted Cash and Investments

Cash required to be held in separate accounts is segregated in accordance with the specified guidelines. Restricted cash is held for various purposes at December 31:

<u>Cash</u>	<u>2021</u>
Governor's Emergency Relief Fund (GERF)	\$ 1,256,320.09
Statewide Charitable Campaigns	93,193.73
United Ways of Alabama Disaster Fund	279.89
Hyundai Charitable Campaign	108,054.13
Governor's Office of Volunteer Services (GOVS)	52,509.00
Total Restricted Cash	<u>\$ 1,510,356.84</u>

Investments

Governor's Emergency Relief Fund (GERF)	\$ 289,385.78
United Ways of Alabama Disaster Fund	99,583.66
Total Restricted Investments	<u>\$ 388,969.44</u>

A corresponding liability of \$254,729.71 is recorded in agency payables for cash held for agency related-programs at December 31, 2021.

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.

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, 2021 and 2020 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. Grant revenues are recorded as unrestricted revenues in the year the expenditures are incurred. 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, 2021.

UNITED WAYS OF ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

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, 2020, 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, 2021, 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 of liabilities in active markets.
- Quoted prices for identical or similar assets of 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, 2021, 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, 2021, 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.

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 present 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.

UNITED WAYS OF ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

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 to the Board 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.

Leases

Effective January 1, 2021, the Organization adopted FASB ASC 842, Leases. The Organization determines if an arrangement contains a lease at inception based on whether the company has the right to control the asset during the contract period and other facts and circumstances. The standard requires that a lessee recognize on the balance sheet assets and liabilities relating to leases with terms of more than 12 months. Lessee has made an election not to recognize right-of-use assets and lease liabilities that arise from short-term leases or low value asset leases for any class of underlying asset.

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, 2021:

	<u>2021</u>
Various Receivables	1,095.61
2-1-1 System Costs from Member United Ways	2,671.09
A -RESET Receivable	99,136.56
ADPH Receivable	136,118.11
ASDOE Receivable	21,500.00
CMS Receivable	126,551.11
Statewide and Montgomery Area Combined Campaign	<u>16,599.12</u>
	<u>\$ 403,671.60</u>

UNITED WAYS OF ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021. See Note 1 for a discussion on the Organization's accounting policies.

	Cost	Fair Value Level 1
Money Market Fund	\$ 1.49	\$ 1.49
Savings Deposit	484,933.45	484,933.45
	\$ 484,934.94	\$ 484,934.94
Investment: Without Donor Restrictions		\$ 95,965.50
Investments: With Donor Restrictions		388,969.44
		\$ 484,934.94

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

	2021
Beginning Investments	\$ 484,717.33
Investment Income:	
Investment Interest - With Donor Restrictions	177.08
Investment Interest - Without Donor Restrictions	40.53
	\$ 484,934.94

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. Additionally, the GERF provides funding for community storm shelters to prevent loss of life during inclement weather.

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.

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, 2021:

	Beginning Balance	Income/(Losses)	Releases	Ending Balance
Disaster Response-UWAL	99,821.50	42.05	0.00	99,863.55
Disaster Response-GERF	1,639,329.31	150,207.39	(243,830.83)	1,545,705.87
	\$ 1,739,150.81	\$ 150,249.44	\$ (243,830.83)	\$ 1,645,569.42

UNITED WAYS OF ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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:

	2021
Cash and Cash Equivalents	\$ 1,786,461.78
Investments	484,934.94
Accounts Receivable	403,671.60
Total Financial Assets	\$ 2,675,068.32
Less Amounts Unavailable for General Expenditures Within One Year, Due to:	
Agency Payable - Charitable Campaigns	(254,729.71)
Restricted by Donor With Purpose Restrictions	(1,645,569.42)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 774,769.19

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable consist of the following as of December 31, 2021:

	2021
Accounts Payable	\$ 30,197.23
211 Payable	48,507.65
SCC - Special Payable	26,896.47
ARESET Payable	91,612.98
ADPH Payable	117,275.04
ASDOE Payable	19,228.56
CMS Payable	102,078.93
	\$ 435,796.86

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 program funds 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, 2021

NOTE 8 - OPERATING LEASE COMMITMENTS

The UWAL leases office space at 8 Commerce Street, Suite 1140 from 8 Commerce Partners 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 \$264.56 per month for 48 months with the term ending August 6, 2023. The UWAL future minimum lease payments are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2022	3,174.72
2023	2,116.48
2024	0.00
2025	0.00

The lease expense for each of the years ended December 31, 2021 and 2020 is \$19,352.91 and \$19,080.91, 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, 2021, the UWAL's cash and cash equivalents were maintained primarily with seven financial institutions in Montgomery, Alabama, which exceeds federally insured amounts. The cash balances which exceed federally insured amounts is \$259,126.92.

NOTE 10 - RETIREMENT PLAN

The UWAL provides a Simplified Employment Pension for all eligible employees. The retirement expense for the years ended December 31, 2021 and 2020, is \$12,047.04 and \$11,550.00, respectively.

NOTE 11 - CONTRACTS AND GRANTS

A-RESET

UWAL renewed contract number 5115 with the State of Alabama on October 1, 2020. The goal of UWAL is to promote work force inclusion and independence for eligible clients through the SNAP E&T A-RESET program administered by the Alabama Department of Human Resources (DHR). Via UWAL's 211 Connects Alabama, clients will be screened for eligibility, provided assistance in learning and training opportunities in order to obtain skills necessary to gain employment and provided access to job support and other services through sub-contractors. The sub-contractors are community and faith-based partners that can deliver employment and training services. The sub-contractors are reimbursed 50% of expenditures. UWAL receives 50% reimbursement of expenditures. The maximum amount payable under the contract is \$4,342,348.51. For the year ended December 31, 2021, UWAL had received contract revenues of \$649,007.28 and had program expenditures and reimbursements of \$649,458.77.

Alabama State Department of Education

On August 1, 2021, the UWAL was awarded grant number CC210562 with the Alabama State Department of Education. The grant is to be used to screen every client of the UWAL's 211 Connects Alabama system to determine if the client has school-aged children who are enrolled in Alabama Public Schools or should be enrolled in Alabama Public Schools. Clients will receive access to trained Information & Referral Specialists who will screen and assess the situation and provide referrals that can help address the underlying cause of the problem. The maximum amount payable under the grant is \$260,000.00. As of December 31, 2021, UWAL had received grant revenues of \$109,500.00 and had program expenses of \$109,708.80.

UNITED WAYS OF ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11 - CONTRACTS AND GRANTS (CONTINUED)

Alabama Department of Public Health

On August 1, 2021, the UWAL was awarded grant number 6NU50CK000545-02-03, with the Alabama Department of Public Health. The grant is to provide wrap-around and basic social support for persons needing access to COVID-19 testing, and for quarantine and isolation support necessary to prevent the spread of COVID-19. The maximum amount payable under the grant is \$2,000,000.00. As of December 31, 2021, UWAL had received grant revenues of \$317,313.02 and had program expenses of \$294,946.89.

AIDS Alabama, Inc.

On August 27, 2021, the UWAL was awarded grant number EA-UWAFY22, as a subcontractor of AIDS Alabama, Inc.(AAI). The grant is to support Navigators in federally facilitated and state partnership marketplaces. The Navigators will be trained by AAI. The Navigators are assigned to three UWAL partner organizations throughout the state. 211 Connects Alabama clients will be screened and any that are eligible for marketplace health insurance will be referred to the Navigators to provide follow up and assist any one that needs or wants marketplace insurance. The maximum amount payable under the grant is \$663,715.51. As of December 31, 2021, UWAL had received grant revenues of \$126,551.11 and had program expenses of \$126,551.11.

NOTE 12 - 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 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 21, 2022, 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, 2021

	State Combined Campaign	Montgomery Area State Combined Campaign
BEGINNING CASH - JANUARY 1, 2021	\$ 46,186.84	\$ 26,287.88
 <u>2019-2020 Campaign</u>		
Receipts	0.00	34,879.66
Disbursements	0.00	(61,118.39)
 <u>2020-2021 Campaign</u>		
Receipts	38,639.91	96,667.78
Payroll Deduction Receipts	0.00	285,802.43
Disbursements	(84,796.60)	(358,518.23)
 <u>2021-2022 Campaign</u>		
Receipts	156,824.43	0.00
Disbursements	<u>(87,661.98)</u>	<u>0.00</u>
 ENDING CASH - DECEMBER 31, 2021	 <u>\$ 69,192.60</u>	 <u>\$ 24,001.13</u>