

**UNITED WAY OF COLQUITT COUNTY, INC.
AUDITED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2021**

R. Michael LaBounty CPA, Incorporated
Certified Public Accountant
160 Juniper Court, Suite 100
Brunswick, Georgia 31520

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES.....	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENT	7



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Colquitt County, Inc.
116 First Avenue SE
Moultrie , GA 31768

Opinion

We have audited the accompanying financial statements of United Way of Colquitt County, Inc. (the Organization), which comprise the statement 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 accompanying financial statements present fairly, in all material respects, the financial position of United Way of Colquitt County, Inc. as of December 31, 2021, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Way of Colquitt County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the Board of Directors
United Way of Colquitt County, Inc.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, 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 Way of Colquitt County, Inc. 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 Way of Colquitt County, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

R. MICHAEL LABOUNTY CPA, INCORPORATED

Brunswick, Georgia
December 12, 2022

**UNITED WAY OF COLQUITT COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021**

ASSETS

CURRENT ASSETS:

Cash	\$ 642,027
Cash - restricted	2,056
Certificates of deposit	106,747
Pledges (net of allowance for doubtful accounts of \$10,806)	49,069
Mortgages receivable - current portion	<u>9,143</u>
Total current assets	<u>809,042</u>

PROPERTY & EQUIPMENT:

Furniture & equipment	12,584
Accumulated depreciation	<u>(12,060)</u>
Total property & equipment - net	524

LONG-TERM ASSETS:

Mortgages receivable - less current portion	<u>105,143</u>
Total assets	<u>\$ 914,709</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 185
Other accruals	1,875
Prepaid pledges	<u>81,611</u>
Total current liabilities	<u>83,671</u>

NET ASSETS:

Without donor restrictions	828,981
With donor restrictions	<u>2,056</u>
Total net assets	<u>831,037</u>
Total liabilities and net assets	<u>\$ 914,709</u>

SEE INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**UNITED WAY OF COLQUITT COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

REVENUES & SUPPORT:

Contributions	\$ 540,596
Fundraising events	79,528
Donations in-kind	54,998
Investment income	<u>514</u>
Total revenues & support	<u>675,636</u>

EXPENSES:

Program expenses	514,556
Fundraising expenses	67,268
General & administrative expenses	<u>26,465</u>
Total expenses	<u>608,289</u>

GAIN ON FORGIVENESS OF PPP LOAN	<u>12,583</u>
---------------------------------	---------------

INCREASE IN NET ASSETS	79,930
------------------------	--------

NET ASSETS - BEGINNING OF YEAR	<u>751,107</u>
--------------------------------	----------------

NET ASSETS - END OF YEAR	<u>\$ 831,037</u>
--------------------------	-------------------

SEE INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**UNITED WAY OF COLQUITT COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Program Expenses</u>	<u>Fundraising Expenses</u>	<u>General & Administrative Expenses</u>	<u>Total</u>
Community grants	\$ 417,084	\$ -	\$ -	\$ 417,084
Personnel	62,787	17,939	8,970	89,696
Events	-	49,329	-	49,329
Bad debt	15,646	-	-	15,646
Other expenses	5,405	-	4,124	9,529
Professional fees	-	-	7,695	7,695
Office expenses	1,676	-	5,355	7,031
Occupancy	6,000	-	322	6,322
Membership	<u>5,959</u>	<u>-</u>	<u>-</u>	<u>5,959</u>
 Total expenses	 <u>\$ 514,556</u>	 <u>\$ 67,268</u>	 <u>\$ 26,465</u>	 <u>\$ 608,289</u>

SEE INDEPENDENT AUDITOR'S REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**UNITED WAY OF COLQUITT COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:

Increase in net assets	\$ 79,930
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	332
Gain on PPP loan forgiveness	(12,583)
Decrease in pledges	6,243
Decrease in mortgages receivable	8,061
(Decrease) in accounts payable	(6,147)
(Decrease) in prepaid pledges	(14,156)
Increase in other liability	<u>(30,000)</u>
Net cash provided by operating activities	31,681

CASH FLOWS (USED BY) INVESTING ACTIVITIES:

Investments in certificates of deposit	<u>(289)</u>
--	--------------

NET INCREASE IN CASH 31,392

CASH, BEGINNING OF YEAR 612,691

CASH, END OF YEAR \$ 644,083

UNITED WAY OF COLQUITT COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

The United Way of Colquitt County, Inc. is a nonprofit organization legally constituted under the laws of the State of Georgia. This nonprofit organization operates under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Annual information returns are filed with Internal Revenue Service and the State of Georgia. The governing body of the United Way of Colquitt County, Inc. is made up of a board of directors elected in accordance with its constitution and by-laws. The purpose of the United Way of Colquitt County, Inc. is to assess on a continuing basis the need for human service programs, to seek solutions to human problems, to assist in the development of new, expansion or modification of existing human service programs, to promote preventive activities and to foster cooperation among local, state and national agencies serving Colquitt County.

Note A – Summary of Significant Accounting Policies

The Organization's Summary of Significant Accounting Policies is presented to assist in understanding its financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the statement's preparation. The financial statements and notes are representations of the Organization's management, who are responsible for their integrity and objectivity.

Revenue Recognition - In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which is a comprehensive new revenue recognition standard that did supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The FASB issued ASU 2015-14 that deferred the effective date for the Organization until annual periods beginning after December 15, 2018. The FASB then issued ASU 2021-05 that deferred the effective date for the Organization until annual periods beginning after December 15, 2019. The Organization's revenue recognition policy meets the core principle requirements of Topic 606. Other aspects of Topic 606 do not apply to the Organization since it does not enter in to contracts for any goods or services. The implementation of this new standard had no impact on previously reported net assets.

Basis of Accounting and Presentation - The Organization maintains its accounting records on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets without Donor Restrictions are not subject to or no longer subject to donor-imposed time and/or purpose restrictions.

Net Assets with Donor Restrictions whose use is limited by donor-imposed time and/or purpose restrictions.

Cash and Cash Equivalents - Cash and cash equivalents include all highly liquid investments purchased with an initial maturity of three months or less. As of December 31, 2021 there were no cash equivalents.

Grants and Pledges Receivable - Grants receivable arise from services provided under the grants' terms, and pledges receivable are recognized when a donor makes a written pledge to the Organization. Management annually evaluates the need for an allowance for uncollectable pledges, based upon historical experience and pledge age. As a result of that evaluation, an allowance of \$10,806 was considered necessary as of December 31, 2021.

UNITED WAY OF COLQUITT COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

Note A – Summary of Significant Accounting Policies (Continued)

Property and Equipment - Purchased furniture, fixtures and office equipment are carried at cost. Donated furniture, fixtures and office equipment are carried at approximate fair value at the date of donation. Expenditures of \$2,000 or more, which prolong an asset's useful life beyond two years, are capitalized. Expenses for repairs and maintenance that don't extend lives are expensed. Depreciation is provided under the straight-line method over each asset's estimated useful life ranging from three to ten years. Depreciation expense for the year ended December 31, 2021 was \$332.

Donated Assets, Space and Services - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During 2021, the Organization recognized no such in-kind donations of services. Donated leased space is recorded at estimated fair value as a monthly contribution. In the year ended December 31, 2021, the Organization received use of administrative space that is valued at \$6,000. The Organization also received various items to be sold at auction for its annual fundraising event that were valued at \$48,998.

Contributions – Unconditional promises to give and contributions received are recorded as increases in net assets without donor restrictions or net asset with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (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 statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

Functional Allocation of Expenses – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements also report certain categories of expenses that are attributed to more than one function requiring allocation on a reasonable basis that is consistently applied. Costs are directly charged to the function they benefit. Personnel costs are allocated based on estimated time spent for each function. Rent and other occupancy costs are allocated based on allocation of square footage.

Advertising – It is the policy of the Organization to expense advertising costs as they are incurred. The Organization does not engage in any direct response advertising and accordingly, no advertising costs are reported as assets on its statement of financial position. The amount charged to advertising expense for the year ended December 31, 2021 was \$864.

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 affecting the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

UNITED WAY OF COLQUITT COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

Note A – Summary of Significant Accounting Policies (Continued)

Tax Exempt Status - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Income from certain activities not directly related to the Organization’s tax-exempt purpose is subject to taxation as unrelated business income. For the year ended December 31, 2021, the Organization did not have any unrelated business income and, accordingly, no unrelated business income tax. The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization’s income tax returns are subject to examination by the appropriate regulatory authorities, and as of December 31, 2021, the Organization’s federal tax returns remain open to examination for the last three (3) years.

Fair Value of Financial Instruments - The Organization’s financial instruments consist of cash, grants, accounts and pledges receivable, accrued liabilities and accounts payable. The carrying value of these instruments approximates fair value due to their relatively short-term nature.

Note B – Concentrations of Credit and Other Risks

The Organization maintains its cash at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC-insured limit is \$250,000 of deposits per financial institution. As of December 31, 2021, the Organization’s balances did exceed these insured limits. Management believes that the FDIC backing and the quality of the financial institution with which these amounts are deposited minimizes any potential risk of material loss.

Note C – Liquidity and Availability of Financial Assets

The Organization’s primary source of support are gifts from the local community. Monthly cash outflows vary each year based on the number of clients served. The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Organization approves the action. The Organization’s financial assets as of December 31, 2021 available within one year after this date to satisfy liabilities at this date and for future general expenditure are as follows:

Cash	\$	644,083
Certificates of deposit		106,747
Pledges - net		49,069
Mortgages receivable - current portion		<u>9,143</u>
Total financial assets		809,042
Less those unavailable for general expenditures within one year		<u>(2,056)</u>
Financial assets available to meet cash needs		
for expenditures within one year	\$	<u>806,986</u>

**UNITED WAY OF COLQUITT COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note D – Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2021:

Subject to Expenditure for Specified Purpose:

Tommy Bender Scout Fund	\$ <u>2,056</u>
-------------------------	-----------------

During the year ended December 31, 2021, \$0 was released from donor restrictions.

Note E – Note Payable

The Organization received a Payroll Protection Program (PPP) Loan in May 2020. The loan was for \$12,583 and had an interest rate of 1.0%. The loan was forgiven in February 2021.

Note F – Subsequent Events

Management has evaluated events and transactions which occurred through December 17, 2022 which was the date the financial statements were available to be issued. As a result of this evaluation, management has determined that no other events or transactions are required to be disclosed.