

FINANCIAL STATEMENTS

UNITED WAY OF NORTHWEST GEORGIA, INC.

DALTON, GEORGIA

DECEMBER 31, 2023 AND 2022

UNITED WAY OF NORTHWEST GEORGIA, INC.
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DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of United Way of Northwest Georgia, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 Way of Northwest Georgia, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Way of Northwest Georgia, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Northwest Georgia, Inc.'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 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 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 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 judgment 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 Way of Northwest Georgia, Inc.'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 Way of Northwest Georgia, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of select program expenses are presented for purposes of additional analysis and are 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 audits 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.

Estes & Walcott

Dalton, Georgia
July 24, 2024

UNITED WAY OF NORTHWEST GEORGIA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash	\$ 2,539,127	\$ 2,351,902
Investments	1,681,737	1,558,219
Pledges receivable, net	3,736,206	3,281,248
Other receivables	2,500	-
Prepaid expenses	<u>13,694</u>	<u>10,279</u>
Total current assets	<u>7,973,264</u>	<u>7,201,648</u>
 Property and equipment, net	 <u>508,434</u>	 <u>482,715</u>
 Other assets:		
Beneficial interest in assets held by others	<u>6,569,465</u>	<u>5,008,271</u>
 Total assets	 <u>\$ 15,051,163</u>	 <u>\$ 12,692,634</u>
 <u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	\$ 80,988	\$ 13,674
Designations payable	<u>57,331</u>	<u>44,803</u>
Total current liabilities	<u>138,319</u>	<u>58,477</u>
 Total liabilities	 <u>138,319</u>	 <u>58,477</u>
 <u>NET ASSETS</u>		
With donor restrictions	7,627,108	6,414,116
Without donor restrictions	<u>7,285,736</u>	<u>6,220,041</u>
Total net assets	<u>14,912,844</u>	<u>12,634,157</u>
 Total liabilities and net assets	 <u>\$ 15,051,163</u>	 <u>\$ 12,692,634</u>

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

UNITED WAY OF NORTHWEST GEORGIA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u> <u>2023</u>
Public support and revenue:			
Gross campaign results (prior year)	\$ 885,773		
(Less provision for uncollectible)	<u>(210,058)</u>		
Net campaign results (prior year)	675,715		\$ 675,715
Gross campaign results (current year)		\$ 4,688,542	
(Less donor designations)		(308,602)	
(Less provision for uncollectible)		<u>(218,997)</u>	
Net campaign results (current year)		4,160,943	4,160,943
Special events	53,240	-	53,240
Other contributions	38,135	811,720	849,855
Grant income	141,882	40,000	181,882
Service fees	21,744	-	21,744
Miscellaneous	11,419	-	11,419
Net assets released from restrictions	<u>3,799,671</u>	<u>(3,799,671)</u>	<u>-</u>
Total revenue	<u>4,741,806</u>	<u>1,212,992</u>	<u>5,954,798</u>
Expenses:			
Program services:			
Community impact	3,342,787	-	3,342,787
Community awareness	243,584	-	243,584
Information services	102,881	-	102,881
Community solutions	201,761	-	201,761
Volunteer services	<u>298,998</u>	<u>-</u>	<u>298,998</u>
Total program services	4,190,011	-	4,190,011
Organizational administration	168,669	-	168,669
Resource development	<u>263,645</u>	<u>-</u>	<u>263,645</u>
Total expenses and losses	<u>4,622,325</u>	<u>-</u>	<u>4,622,325</u>
Operating surplus/deficit	<u>119,481</u>	<u>1,212,992</u>	<u>1,332,473</u>
Nonoperating items:			
Investment income	196,740	-	196,740
Change in fair value of beneficial interest	<u>749,474</u>	<u>-</u>	<u>749,474</u>
Total nonoperating items	<u>946,214</u>	<u>-</u>	<u>946,214</u>
Change in net assets	1,065,695	1,212,992	2,278,687
Net assets, beginning	<u>6,220,041</u>	<u>6,414,116</u>	<u>12,634,157</u>
Net assets, ending	<u>\$ 7,285,736</u>	<u>\$ 7,627,108</u>	<u>\$ 14,912,844</u>

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

UNITED WAY OF NORTHWEST GEORGIA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u> <u>2022</u>
Public support and revenue:			
Gross campaign results (prior year)	\$ 528,638		
(Less provision for uncollectible)	<u>(369,274)</u>		
Net campaign results (prior year)	159,364		\$ 159,364
Gross campaign results (current year)		\$ 4,286,627	
(Less donor designations)		(350,131)	
(Less provision for uncollectible)		<u>(196,825)</u>	
Net campaign results (current year)		3,739,671	3,739,671
Special events	44,312	-	44,312
Other contributions and grants	175,250	120,240	295,490
Service fees	28,170	-	28,170
Miscellaneous	9,234	-	9,234
Net assets released from restrictions	<u>4,183,489</u>	<u>(4,183,489)</u>	<u>-</u>
Total revenue	<u>4,599,819</u>	<u>(323,578)</u>	<u>4,276,241</u>
Expenses:			
Program services:			
Community impact	3,432,837	-	3,432,837
Community awareness	259,775	-	259,775
Information services	102,030	-	102,030
Community solutions	181,966	-	181,966
Volunteer services	<u>261,637</u>	<u>-</u>	<u>261,637</u>
Total program services	4,238,245	-	4,238,245
Organizational administration	159,712	-	159,712
Resource development	<u>242,007</u>	<u>-</u>	<u>242,007</u>
Total expenses and losses	<u>4,639,964</u>	<u>-</u>	<u>4,639,964</u>
Operating surplus/deficit	<u>(40,145)</u>	<u>(323,578)</u>	<u>(363,723)</u>
Nonoperating items:			
Investment income	(91,708)	-	(91,708)
Change in fair value of beneficial interest	<u>(740,627)</u>	<u>-</u>	<u>(740,627)</u>
Total nonoperating items	<u>(832,335)</u>	<u>-</u>	<u>(832,335)</u>
Change in net assets	(872,480)	(323,578)	(1,196,058)
Net assets, beginning	<u>7,092,521</u>	<u>6,737,694</u>	<u>13,830,215</u>
Net assets, ending	<u>\$ 6,220,041</u>	<u>\$ 6,414,116</u>	<u>\$ 12,634,157</u>

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

UNITED WAY OF NORTHWEST GEORGIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Organizational Administration</u>	<u>Resource Development</u>	<u>Total 2023</u>
Community impact:				
Allocations and awards	\$ 3,342,787	\$ -	\$ -	\$ 3,342,787
Salaries and related expenses:				
Salaries and wages	471,067	106,726	141,111	718,904
Payroll taxes	34,879	7,288	9,891	52,058
Employee benefits	65,273	13,639	18,511	97,423
Total salaries and related expenses	<u>571,219</u>	<u>127,653</u>	<u>169,513</u>	<u>868,385</u>
Other expenses:				
Professional fees	31,905	3,010	4,085	39,000
Supplies	27,265	1,666	6,052	34,983
Telephone	4,231	683	926	5,840
Postage	1,338	759	2,657	4,754
Occupancy	51,411	10,744	14,580	76,735
Equipment repairs and maintenance	13,548	3,127	5,285	21,960
Printing and publications	9,110	553	22,254	31,917
Specific assistance to individuals	5,408	-	-	5,408
Travel	2,659	108	2,594	5,361
Meeting expense	29,462	613	8,892	38,967
Professional development	6,085	1,198	1,625	8,908
Membership dues and subscriptions	39,296	7,655	10,390	57,341
Awards	2,272	261	354	2,887
Insurance	9,128	1,678	2,277	13,083
Investment and bank fees	24,677	5,156	6,997	36,830
Depreciation	18,210	3,805	5,164	27,179
Total other expenses	<u>276,005</u>	<u>41,016</u>	<u>94,132</u>	<u>411,153</u>
 Total expenses	 <u>\$ 4,190,011</u>	 <u>\$ 168,669</u>	 <u>\$ 263,645</u>	 <u>\$ 4,622,325</u>

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

UNITED WAY OF NORTHWEST GEORGIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>Organizational Administration</u>	<u>Resource Development</u>	<u>Total 2022</u>
Community impact:				
Allocations and awards	\$ 3,432,837	\$ -	\$ -	\$ 3,432,837
Salaries and related expenses:				
Salaries and wages	454,798	96,244	131,503	682,545
Payroll taxes	33,953	6,990	8,987	49,930
Employee benefits	<u>75,354</u>	<u>15,514</u>	<u>19,947</u>	<u>110,815</u>
Total salaries and related expenses	<u>564,105</u>	<u>118,748</u>	<u>160,437</u>	<u>843,290</u>
Other expenses:				
Professional fees	16,831	3,465	4,455	24,751
Supplies	8,874	1,192	5,102	15,168
Telephone	4,131	662	851	5,644
Postage	756	642	2,625	4,023
Occupancy	49,706	10,235	13,159	73,100
Equipment repairs and maintenance	17,399	3,366	5,282	26,047
Printing and publications	10,743	619	19,185	30,547
Specific assistance to individuals	2,118	-	-	2,118
Travel	2,041	886	1,246	4,173
Meeting expense	30,755	260	4,418	35,433
Professional development	6,924	1,426	1,833	10,183
Membership dues and subscriptions	41,453	8,270	10,632	60,355
Awards	1,564	256	330	2,150
Insurance	9,429	1,742	2,240	13,411
Investment and bank fees	21,880	4,505	5,792	32,177
Depreciation	<u>16,699</u>	<u>3,438</u>	<u>4,420</u>	<u>24,557</u>
Total other expenses	<u>241,303</u>	<u>40,964</u>	<u>81,570</u>	<u>363,837</u>
Total expenses	<u>\$ 4,238,245</u>	<u>\$ 159,712</u>	<u>\$ 242,007</u>	<u>\$ 4,639,964</u>

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

UNITED WAY OF NORTHWEST GEORGIA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,278,687	\$ (1,196,058)
Non-cash items included in change in net assets:		
Depreciation	27,179	24,557
Change in fair value of beneficial interest in assets held by others	(749,474)	740,627
Contributions from donors to beneficial interest	(811,720)	(60,240)
Non-cash contributions	(21,294)	(37,902)
Gain on sale of donated securities	(82)	(814)
(Increase) decrease in pledges receivable	(457,458)	521,651
(Increase) decrease in prepaid expenses	(3,415)	5,214
Increase (decrease) in accounts payable	67,314	4,814
Increase (decrease) in designations payable	12,528	(72,899)
Proceeds from the sale of donated securities	<u>21,376</u>	<u>38,716</u>
Net cash provided (used) by operating activities	<u>363,641</u>	<u>(32,334)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(52,898)	(37,546)
Transfers of cash to investments	-	(400,000)
Income from investments retained in investment account	<u>(123,518)</u>	<u>120,268</u>
Net cash provided (used) by investing activities	<u>(176,416)</u>	<u>(317,278)</u>
Increase (decrease) in cash	187,225	(349,612)
Cash at beginning of year	<u>2,351,902</u>	<u>2,701,514</u>
Cash at end of year	<u>\$ 2,539,127</u>	<u>\$ 2,351,902</u>

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

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 1. Nature of activities and significant accounting policies-

Organization and nature of activities-

The United Way of Northwest Georgia, Inc. (the Organization) is a nonprofit entity which functions independently of any other organization. The Organization is governed by a volunteer board of directors. The mission of the organization is Improving Lives, Inspiring Donors, Uniting Communities. Its vision is to be the preferred organization investing in education, basic needs, and health in our community. Education: Getting kids ready for kindergarten, reading at grade level by 3rd grade, and graduating on time with skills to be career and life ready. Basic Needs: Reduce the long term need for food, housing, and utility assistance through life skills education and financial counseling. Health: Support prevention services so youth and adults are healthy and avoid risky behaviors. The Organization is supported primarily through pledges. Pledges from one contributor and its employees comprise a significant portion of the Organization's support.

Basis of accounting-

The financial statements have been prepared on an accrual basis of accounting and in accordance with generally accepted accounting principles.

Financial statement presentation-

In accordance with generally accepted accounting practices the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions represent resources from contributions and other inflows of assets whose use by the Organization is limited by donor imposed stipulations and resources currently available for use or receivable from the donor, but expendable only in subsequent periods.

Net assets without donor restrictions represent all other net assets, including board designated or appropriated amounts, and are legally unrestricted.

Cash-

Cash includes amounts in demand deposits, certificates of deposit, and short-term investments with a maturity date within three months of the date acquired by the Organization. Cash and investments are stated at fair value.

Investments-

Investments in bonds, equities, and mutual funds are carried at fair value based on quoted prices in active markets. Investment income (including realized and unrealized gains and losses, interest, and dividends) net of investment expense is included in nonoperating income. Investments, in general, are subject to various risks including credit, interest, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in value will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 1. Nature of activities and significant accounting policies (continued)-

Concentrations of credit risk-

The Organization maintains its cash accounts with high credit quality financial institutions. At times such accounts may be in excess of FDIC insurance limits.

Property and equipment-

Purchased property and equipment are recorded at cost. Additions and improvements greater than \$500 are capitalized and maintenance and repairs are charged to expense as incurred. Property and equipment acquired by donation is stated at fair market value at the time of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The cost and accumulated depreciation of property disposed of or otherwise retired is removed from the accounts and any gains or losses thereon are included in earnings. The Organization uses principally the straight-line method of computing depreciation over the estimated useful lives of the assets. Estimated useful lives range from 3 years for computers to 40 years for buildings.

Income taxes-

The Organization is a nonprofit organization, exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except to the extent of unrelated business taxable income. For the years ended December 31, 2023 and 2022, no provision for unrelated business taxes is required. Management does not believe there are any uncertain tax positions as of December 31, 2023 or 2022. The Organization could be subject to income tax examinations for its federal tax returns for the current year and previous filings for tax years ended December 31, 2022, 2021, and 2020.

Contributions-

In accordance with generally accepted accounting principles, contributions received are recorded as support without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Restricted contributions whose restrictions are met in the same reporting period are classified as contributions without donor restrictions in the statements of activities.

An annual campaign is conducted in the fall of the year to raise support for payment of allocations to participating agencies in the subsequent year. Pledges are considered unconditional promises to give. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (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 are reported in the statement of activities as net assets released from restrictions.

The restrictions on the pledges received during the year are time restrictions and the pledges are recorded as restricted when received.

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 1. Nature of activities and significant accounting policies (continued)-

Contributed services and supplies-

The Organization receives contributed services from unpaid volunteers who assist many various projects. No amounts have been recognized in the statements of activities because criteria for recognition have not been satisfied. The Organization receives contributed supplies from unpaid vendors who provide items for fundraising projects. Any amounts recorded for contributed supplies are offset by like amounts included in expenses.

Cost deduction-

The Organization is committed to compliance with United Way Worldwide's cost deduction requirements for recovering actual costs associated with processing and transferring designated funds.

Allocation of expenses-

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses not directly associated with a particular function are allocated on the basis of estimates of employee time and effort to each function.

Leases-

Effective January 1, 2022, the Organization adopted GASB Statement No. 87, Leases. The primary objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by nonprofits. This Statement increases the usefulness of nonprofit financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Organization is not a party to any qualifying leases, therefore the adoption of this statement did not have an impact on the Organization's financial statements.

Accounting estimates-

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

Subsequent events-

Management has evaluated subsequent events through July 24, 2024, the date the financial statements were available to be issued.

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 2. Pledges receivable-

Pledges receivable as of December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Prior campaign year pledges receivable	\$ 517,729	\$ 619,812
Provision for uncollectible - prior campaign year	(210,058)	(369,274)
Current campaign year pledges receivable	3,647,532	3,227,535
Provision for uncollectible - current campaign year	<u>(218,997)</u>	<u>(196,825)</u>
	<u>\$ 3,736,206</u>	<u>\$ 3,281,248</u>
 Amounts due in less than one year	 <u>\$ 3,736,206</u>	

The Organization uses the allowance method to determine uncollectible pledges receivable. The provision for uncollectible is computed based on historical averages adjusted by management estimates of current economic factors, applied to gross campaign, including donor designations.

Note 3. Property and equipment-

Property and equipment as of December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Buildings and improvements	\$ 606,956	\$ 603,418
Land	59,000	59,000
Office equipment and furniture	<u>279,468</u>	<u>230,108</u>
	945,424	892,526
Accumulated depreciation	<u>(436,990)</u>	<u>(409,811)</u>
	<u>\$ 508,434</u>	<u>\$ 482,715</u>

Depreciation expense for the years ending December 31, 2023 and 2022 totaled \$27,179 and \$24,557, respectively.

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 4. Beneficial interest in assets held by others-

During 2015, the Organization transferred board designated funds to the Community Foundation of Northwest Georgia, Inc. (the Community Foundation) to establish the United Way of Northwest Georgia Endowment Fund for the benefit of the Organization. No contributions or transfers were added to the fund for the years ended December 31, 2023 and 2022.

During 2016, the Organization received restricted donations and transferred the total to the Community Foundation to establish the United Way of Northwest Georgia Peacock Legacy Endowment Fund for the benefit of the Organization. For the years ended December 31, 2023 and 2022, \$811,720 and \$60,240, respectively, of restricted contributions have been added to the fund. Since inception, restricted contributions total \$3,426,165.

All contributions to the United Way of Northwest Georgia Endowment Fund are subject to the terms of the fund agreement. Both principal and income from the Endowment may be distributed to the Organization each year.

All contributions to the Peacock Legacy Endowment are irrevocable and subject to the terms of the fund agreement. The funds are the property of the Community Foundation. The Community Foundation has the ultimate authority and control of all property of the funds, and the income derived from them, for the charitable purposes of the Community Foundation. However, the Organization has significant advisory input as to the direction of the funds. Only the net income or an amount equal to the annual spending rate (4.5% of the balance as calculated on January 1) of the Peacock Legacy Endowment may be distributed to the Organization each year. The Organization may elect to suspend distributions to allow maximum growth of the fund.

The beneficial interest in assets held by others consists of the following:

	<u>2023</u>	<u>2022</u>
Beginning beneficial interest in assets held by others	\$ 5,008,271	\$ 5,688,658
Contributions	811,720	60,240
Investment return, net of fees	<u>749,474</u>	<u>(740,627)</u>
Ending beneficial interest in assets held by others	<u>\$ 6,569,465</u>	<u>\$ 5,008,271</u>

Investment fees totaled \$29,165 and \$25,005 for the years ended December 31, 2023 and 2022, respectively.

UNITED WAY OF NORTHWEST GEORGIA, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 5. Endowment funds-

Interpretation of relevant law-

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowments funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies net assets with donor restrictions (a) the original value of gifts donated to the permanent endowments, (b) the original value of subsequent gifts to the permanent endowments, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowments fund are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization

Endowment net asset composition by type of fund as of December 31, 2023:

Without Donor Restrictions	With Donor Restrictions	Total
\$ 3,143,300	\$ 3,426,165	\$ 6,569,465

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 5. Endowment funds (continued)-

Changes in endowment net assets for the year ended December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning endowment net assets	\$ 2,393,826	\$ 2,614,445	\$ 5,008,271
Investment return-			
Investment income, net of investment fees	173,425	-	173,425
Unrealized gain (loss)	576,049	-	576,049
Total investment return	749,474	-	749,474
Other activity-			
Contributions	-	811,720	811,720
Ending endowment net assets	\$ 3,143,300	\$ 3,426,165	\$ 6,569,465

Return objectives and risk parameters

The Organization has adopted the investment and spending policies of the Community Foundation for endowment assets. These policies attempt to grow the market value of endowment assets net of inflation, spending, and expenses, over a full market cycle (generally defines as a three to five year period) without undue exposure to risk. To satisfy its long-term rate of return objectives, the Community Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Community Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints

Note 6. Fair value measurements-

The Organization categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 6. Fair value measurements- (continued)

Fair value of assets measured on a recurring basis as of December 31, 2023, is as follows:

	Fair Value Measurements Using			
	Total	(Level 1)	(Level 2)	(Level 3)
Exchange traded funds	\$ 1,681,737	\$ 1,681,737	\$ -	\$ -
Beneficial interest in assets held by others	6,569,465	-	-	6,569,465
Total	<u>\$ 8,251,202</u>	<u>\$ 1,681,737</u>	<u>\$ -</u>	<u>\$ 6,569,465</u>

The beneficial interest in assets held by other is held by the Community Foundation and the investment methodology is not under the Organization’s control. Therefore, the fair value of the beneficial interest in assets held by others is equal to the value reported by the Community Foundation. A schedule of the beneficial interest in assets held by others which makes up the Organization’s Level 3 fair value measurements is in Note 4.

Note 7. Net assets-

The Organization’s net assets are classified as with donor restrictions or without donor restrictions.

Net assets with donor restrictions consist of principal contributions made by donors to endowment funds held at the Community Foundation. The cumulative amount of principal contributions and related restricted net assets totaled \$3,426,165 and \$2,614,445 at December 31, 2023 and 2022, respectively.

Additional net assets with donor restrictions consist of unconditional promises to give for subsequent years and contributions and grants given for stated purposes. An annual campaign is conducted in the fall of each year to raise support for participating agencies in the subsequent year. Campaign contributions and pledges received or receivable are accounted for as restricted until the beginning of the next fiscal year. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon expiration of the time restriction. The Organization reported this category of net assets with donor restrictions totaling \$4,160,943 and \$3,739,671 at December 31, 2023 and 2022, respectively. Net assets with donor restrictions related to purpose totaled \$40,000 and \$60,000 at December 31, 2023 and 2022, respectively.

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 7. Net assets- (continued)

Net assets without donor restrictions are those assets currently available to be used by the Organization at the discretion of the Board of Directors. They are classified as either designated or undesignated. The Board of Directors intends to maintain four and a half month's allocations and operating expenses as a reserve fund. During 2014, the Board designated additional reserves of \$1,067,681 in order to provide for sustainability which were transferred to the Community Foundation in 2015. Board designated net assets totaled \$3,768,399 and \$3,524,946 at December 31, 2023 and 2022, respectively. The remaining undesignated net assets without donor restrictions totaled \$3,517,337 and \$2,695,095 at December 31, 2023 and 2022, respectively.

Note 8. Employee benefit plan-

The Organization maintains a 403(b) tax-sheltered annuity plan that covers full-time employees who have completed one year of service and who are 21 years of age or older. The Organization contributes 7% of compensation for all eligible employees. Total employer contributions for the years ending December 31, 2023 and 2022 totaled \$43,488 and \$40,795, respectively.

Note 9. Liquidity and availability of resources-

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

Cash	\$ 2,539,127
Investments	1,681,737
Pledges receivable, net	3,736,206
Other receivables	<u>2,500</u>
	<u>\$ 7,959,570</u>

None of the above financial assets are subject to donor or other contractual restrictions that made them unavailable for general expenditure within one year of the balance sheet date. The pledges receivable are subject to implied time restrictions but are expected to be collected within one year.

The Organization's endowment funds consist of donor-restricted endowments and a quasi-endowment. Contributions to the donor-restricted endowment are restricted for specific purposes and, therefore, are not available for general expenditure. As described in Note 4, the United Way of Northwest Georgia Peacock Legacy Endowment Fund has a spending rate of 4.5% of the balance as calculated on January 1; therefore \$206,891 of appropriations from this fund will be available for distribution within the next 12 months if the Organization elects to withdraw them.

UNITED WAY OF NORTHWEST GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 9. Liquidity and availability of resources- (continued)

As part of the Organization's liquidity management, its financial assets are structured to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in money market accounts and certificates of deposit. The Organization has a quasi-endowment of \$1,971,891 at December 31, 2023. Although the Organization does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary.

SUPPLEMENTAL SCHEDULES

UNITED WAY OF NORTHWEST GEORGIA, INC.
SCHEDULE OF SELECT PROGRAM EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Community Awareness	Information Services	Community Solutions	Volunteer Services
Salaries and wages	\$ 142,939	\$ 62,802	\$ 100,764	\$ 164,562
Payroll taxes	10,412	4,685	7,288	12,494
Employee benefits	19,484	8,768	13,639	23,382
Professional fees	4,300	1,935	20,510	5,160
Supplies	2,727	770	1,875	21,893
Telephone	975	1,403	683	1,170
Postage	551	76	509	202
Occupancy	15,344	6,906	10,744	18,417
Equipment repairs and maintenance	4,420	1,506	1,067	6,555
Printing and publications	2,989	355	1,791	3,975
Specific assistance to individuals	-	-	5,408	-
Travel	1,254	-	680	725
Meeting expense	9,919	976	13,890	4,677
Professional development	1,711	770	1,198	2,406
Membership dues and subscriptions	10,936	4,922	10,315	13,123
Awards	424	168	761	919
Insurance	2,397	1,078	1,678	3,975
Investment and bank fees	7,366	3,315	5,156	8,840
Depreciation	5,436	2,446	3,805	6,523
	<u>\$ 243,584</u>	<u>\$ 102,881</u>	<u>\$ 201,761</u>	<u>\$ 298,998</u>

UNITED WAY OF NORTHWEST GEORGIA, INC.
SCHEDULE OF SELECT PROGRAM EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Community Awareness	Information Services	Community Solutions	Volunteer Services
Salaries and wages	\$ 142,468	\$ 61,480	\$ 96,975	\$ 153,875
Payroll taxes	10,985	4,494	6,990	11,484
Employee benefits	24,379	9,973	15,514	25,488
Professional fees	5,445	2,228	3,465	5,693
Supplies	2,730	1,046	3,219	1,879
Telephone	1,040	1,341	662	1,088
Postage	314	44	281	117
Occupancy	16,082	6,578	10,233	16,813
Equipment repairs and maintenance	7,496	1,691	1,355	6,857
Printing and publications	4,673	399	2,891	2,780
Specific assistance to individuals	-	-	2,118	-
Travel	838	5	411	787
Meeting expense	12,467	127	17,055	1,106
Professional development	2,240	916	1,426	2,342
Membership dues and subscriptions	12,995	5,317	9,430	13,711
Awards	403	165	256	740
Insurance	2,738	1,120	1,742	3,829
Investment and bank fees	7,079	2,896	4,505	7,400
Depreciation	5,403	2,210	3,438	5,648
	<u>\$ 259,775</u>	<u>\$ 102,030</u>	<u>\$ 181,966</u>	<u>\$ 261,637</u>