

UNITED WAY OF BALDWIN COUNTY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017



Gruenloh & Associates, P.C.
Certified Public Accountants

UNITED WAY OF BALDWIN COUNTY, INC.

DECEMBER 31, 2018 AND 2017

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
United Way of Baldwin County, Inc.
Foley, Alabama

We have audited the accompanying financial statements of United Way of Baldwin County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Baldwin County, Inc. as of December 31, 2018 and 2017, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Distributions to Agencies on page 11 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 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.



Gruenloh & Associates, P.C.
Robertsdale, Alabama
June 4, 2019



FINANCIAL STATEMENTS



Gruenloh & Associates, P.C.
Certified Public Accountants

UNITED WAY OF BALDWIN COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,221,449	\$ 1,167,508
Certificates of deposits	159,015	223,352
Pledges receivable-next period, (net of allowance for uncollectibles)	364,971	421,887
Pledges receivable-current period, (net of allowance for uncollectibles)	36,516	30,688
Prepaid expenses	3,511	3,520
Total current assets	<u>1,785,462</u>	<u>1,846,955</u>
PROPERTY AND EQUIPMENT - NET	<u>96,396</u>	<u>101,143</u>
TOTAL ASSETS	<u>\$ 1,881,858</u>	<u>\$ 1,948,098</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Due to designated agencies	\$ 31,478	\$ 65,557
Accounts payable	229	1,325
Accrued payroll and related liabilities	4,282	4,944
Total current liabilities	<u>35,989</u>	<u>71,826</u>
TOTAL LIABILITIES	<u>35,989</u>	<u>71,826</u>
NET ASSETS		
Without donor restrictions	1,592,365	1,617,926
With donor restrictions	253,504	258,346
Total net assets	<u>1,845,869</u>	<u>1,876,272</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,881,858</u>	<u>\$ 1,948,098</u>

See accompany notes to the financial statements.



UNITED WAY OF BALDWIN COUNTY, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
CAMPAIGN REVENUE		
Campaign applicable to current period		
Campaign pledges received in prior periods (released from restriction)	\$ 608,209	\$ 522,942
Donor designations	(65,557)	(10,162)
Allowance for uncollectible pledges	(76,815)	(61,301)
Recovery (Loss) on bad debts	(15,514)	(4,492)
Total campaign revenue for current period	<u>450,323</u>	<u>446,987</u>
Campaign applicable to next allocation period		
Campaign pledges received	<u>185,118</u>	<u>191,130</u>
Total campaign results for current period	<u>635,441</u>	<u>638,117</u>
OTHER REVENUE		
Interest and dividend income	12,537	5,560
Special events	67,225	49,925
Other	83,094	79,459
Total other revenue	<u>162,856</u>	<u>134,944</u>
TOTAL REVENUE WITHOUT DONOR RESTRICTIONS	<u>798,297</u>	<u>773,061</u>
CAMPAIGN ALLOCATIONS EXPENSE		
Allocations to agencies	602,714	618,139
Allocations funded through designations	(31,477)	(65,557)
Net allocations expense	<u>571,237</u>	<u>552,582</u>
SUPPORTING EXPENSES		
Management and general	59,688	58,619
Fund raising	51,220	42,933
Total supporting expenses	<u>110,908</u>	<u>101,552</u>
PROGRAM EXPENSES		
Community services	133,842	122,733
Total program expenses	<u>133,842</u>	<u>122,733</u>
OTHER EXPENSES		
Payments to national/state organization	7,871	8,067
Total other expenses	<u>7,871</u>	<u>8,067</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(25,561)	(11,873)
(carried forward)		

See accompany notes to the financial statements.



	<u>2018</u>	<u>2017</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS (brought forward)	\$ (25,561)	\$ (11,873)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
CAMPAIGN APPLICABLE TO NEXT ALLOCATION PERIOD		
Pledges received	610,776	583,580
Allowance for uncollectible pledges	(30,344)	(36,120)
Advance contributions	<u>(185,118)</u>	<u>(191,130)</u>
Total campaign results for next allocation period	<u>395,314</u>	<u>356,330</u>
CAMPAIGN CONTRIBUTIONS RELEASED FROM RESTRICTIONS FOR THE CURRENT PERIOD		
Contributions received	542,528	424,211
Donor designations	(65,557)	(10,162)
Allowance for uncollectible pledges	<u>(76,815)</u>	<u>(61,301)</u>
Total campaign results for current campaign	<u>400,156</u>	<u>352,748</u>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(4,842)</u>	<u>3,582</u>
INCREASE (DECREASE) IN NET ASSETS	(30,403)	(8,291)
NET ASSETS - BEGINNING OF THE YEAR	<u>1,876,272</u>	<u>1,884,563</u>
NET ASSETS - END OF THE YEAR	<u>\$ 1,845,869</u>	<u>\$ 1,876,272</u>



UNITED WAY OF BALDWIN COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Management and General	Fund Raising	Program	Total
Salaries	\$ 18,504	\$ 18,504	\$ 86,354	\$ 123,362
Employee benefits	2,957	2,964	13,764	19,685
Total salaries and employee benefits	<u>21,461</u>	<u>21,468</u>	<u>100,118</u>	<u>143,047</u>
Professional fees	10,662	-	-	10,662
Telephone	2,864	-	1,200	4,064
Postage and printing	755	1,968	315	3,038
Special events	-	21,311	-	21,311
Meals and entertainment	140	588	1,346	2,074
Office supplies	2,619	-	-	2,619
Bank and credit card fees	1,551	-	-	1,551
Campaign supplies	-	3,735	-	3,735
Program expenses	-	-	22,940	22,940
Utilities	2,238	-	-	2,238
Repairs and maintenance	5,184	-	-	5,184
Communications & publicity	1,033	67	139	1,239
Travel and transportation	401	1,753	5,581	7,735
Conferences	22	-	330	352
Organization dues	392	-	1,873	2,265
Insurance	5,560	330	-	5,890
Depreciation	4,747	-	-	4,747
Other	59	-	-	59
Total expenses	<u>\$ 59,688</u>	<u>\$ 51,220</u>	<u>\$ 133,842</u>	<u>\$ 244,750</u>

See accompany notes to the financial statements.



UNITED WAY OF BALDWIN COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Management and General	Fund Raising	Program	Total
Salaries	\$ 18,145	\$ 18,146	\$ 84,682	\$ 120,973
Employee benefits	2,881	2,892	13,412	19,185
Total salaries and employee benefits	<u>21,026</u>	<u>21,038</u>	<u>98,094</u>	<u>140,158</u>
Professional fees	10,150	-	-	10,150
Telephone	3,536	-	1,200	4,736
Postage and printing	1,054	1,003	7	2,064
Special events	-	15,274	-	15,274
Meals and entertainment	74	289	854	1,217
Office supplies	2,624	-	-	2,624
Bank and credit card fees	1,631	-	-	1,631
Campaign supplies	-	2,999	-	2,999
Program expenses	-	-	15,977	15,977
Utilities	2,168	-	-	2,168
Repairs and maintenance	3,959	-	-	3,959
Communications & publicity	861	44	-	905
Travel and transportation	120	1,927	4,853	6,900
Conferences	1,063	-	92	1,155
Organization dues	-	-	1,656	1,656
Insurance	5,550	359	-	5,909
Depreciation	4,803	-	-	4,803
Other	-	-	-	-
Total expenses	<u>\$ 58,619</u>	<u>\$ 42,933</u>	<u>\$ 122,733</u>	<u>\$ 224,285</u>

See accompany notes to the financial statements.



UNITED WAY OF BALDWIN COUNTY, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ (30,403)	\$ (8,291)
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	4,747	4,803
(Increase) decrease in current assets:		
Pledges receivable	51,088	(22,781)
Prepaid expenses	9	(6)
Increase (decrease) in current liabilities:		
Due to designated agencies	(34,079)	55,395
Accounts payable	(1,096)	736
Accrued liabilities	(662)	679
Net cash provided (used) by operating activities	<u>(10,396)</u>	<u>30,535</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in certificates of deposit	<u>64,337</u>	<u>100,713</u>
Net cash provided (used) by investing activities	<u>64,337</u>	<u>100,713</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	53,941	131,248
Cash and Cash Equivalents at Beginning of Year	<u>1,167,508</u>	<u>1,036,260</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,221,449</u>	<u>\$ 1,167,508</u>

See accompany notes to the financial statements.



UNITED WAY OF BALDWIN COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The United Way of Baldwin County, Inc. (United Way) is an organization which receives annual campaign contributions within Baldwin County, Alabama for distribution to participating non-profit agencies. Annual campaigns are conducted to raise support for distribution to participating agencies in the subsequent calendar year.

Donor – Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as contributions with restrictions and increase the net asset with restrictions class.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the net assets with restrictions are reclassified to net assets without restrictions and are reported in the statement of activities as net assets released from restriction.

If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as contribution without restrictions.

Pledges Received

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Conditional promises to give are not included as support until such time as the conditions are substantially met. There were no conditional promises made to United Way in 2018.

Cash, Cash Equivalents and Concentration of Credit Risk

United Way considered all liquid investments with an original maturity of three months or less to be cash equivalents.

United Way maintains its cash balances at local area banks that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. At times, the cash balances may exceed the FDIC's insured limit. At December 31, 2018, United Way's cash balances did not exceed the FDIC limit.

Contributed Services

During 2018 and 2017, approximately 2,159 and 1,981 hours, respectively, were volunteered by employees of local companies participating in various United Way activities. No value has been assigned or recognized for contributed services.

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

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UNITED WAY OF BALDWIN COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is carried at cost, net of accumulated depreciation and amortization. Donated fixed assets are recorded at their fair value as of the date of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The cost of assets owned under capital leases is amortized using the straight-line method over the term of the lease. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and amortization is removed from the accounts. Any resulting gain or loss due to the disposition of the asset is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and betterments are capitalized.

Income Taxes

The Corporation is tax exempt under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is included in the financial statements.

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable are comprised of the following as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Pledges received for subsequent year		
Undesignated	\$ 363,838	\$ 392,450
Designated	<u>31,477</u>	<u>65,557</u>
Gross unconditional pledges	395,315	458,007
Less: Allowance for uncollectibles	<u>(30,344)</u>	<u>(36,120)</u>
Pledges received for subsequent year - net	\$ <u>364,971</u>	\$ <u>421,887</u>
Current year pledges outstanding as of December 31:		
Less: allowance for uncollectibles	<u>(76,815)</u>	<u>(61,300)</u>
Current year pledges outstanding as of December 31 - net	\$ <u>36,516</u>	\$ <u>30,688</u>

The allowance for uncollectible pledges is computed based upon a 10 year historical average, applied to gross campaign pledges, including donor designations.



UNITED WAY OF BALDWIN COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 3 PROPERTY AND EQUIPMENT

Major classifications of property and equipment as of December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Land	\$ 56,000	\$ 56,000
Buildings	122,459	122,459
Furniture and fixtures	30,350	30,350
Equipment	<u>17,331</u>	<u>17,331</u>
Total Property and Equipment	226,140	226,140
Less: Accumulated Depreciation	<u>(129,744)</u>	<u>(124,997)</u>
Total Property and Equipment - net	<u>\$ 96,396</u>	<u>\$ 101,143</u>

NOTE 4 DUE TO DESIGNATED AGENCIES

Due to designated agencies represents campaign pledges which individual donors have specifically designated to an agency.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represents the current year undesignated campaign pledges received for the subsequent year, net of cash amounts received in advance, and an allowance for uncollectible pledges. Temporary restrictions are released in the year actual cash is received from the donor reflecting the implicit donor intent that funds are restricted for the period when the cash is scheduled to be available.

NOTE 6 EMPLOYEE BENEFIT PLANS

United Way provides benefit plans to its employees which includes a defined contribution pension plan, group disability plan and term life insurance. The benefit plans cover substantially all of United Way's employees who have met certain service requirements. Employer contributions to the benefit plans amounted to \$10,138 and \$9,816 during 2018 and 2017, respectively.

NOTE 7 LIQUIDITY

United Way has \$1,257,965 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$1,221,449 and pledges receivable of \$36,516. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. United Way has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.



UNITED WAY OF BALDWIN COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 8 SUBSEQUENT EVENTS

Subsequent events were evaluated through June 4, 2019, which is the date the financial statements were available to be issued.



SUPPLEMENTAL INFORMATION



UNITED WAY OF BALDWIN COUNTY, INC.

SCHEDULE OF DISTRIBUTIONS TO AGENCIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

AGENCIES	2018	2017
Alabama Sheriff's Boys Ranch	\$ 18,000	\$ 23,000
Alabama State Combined Campaign	3,384	-
American Red Cross, Alabama Gulf Coast Chapter	22,500	22,500
Association for Retarded Citizens of Baldwin County, Inc.	5,000	9,000
Baldwin County Education Coalition	5,000	-
Baldwin Youth Services	16,200	16,200
Big Brother Big Sister of South Alabama	9,000	9,000
Boy Scouts of America - Mobile	13,750	16,500
CARE House, Inc.	32,133	28,800
Catholic Social Services	63,000	63,000
Christian Service Center	18,000	18,000
Community Hospice	3,333	2,250
Drug Education Council	14,000	14,000
Ecumencial Ministries, Inc.	68,400	72,948
Epilepsy Foundation	5,000	4,500
Fairhope - Point Clear Youth Rotary	27,500	22,500
Family Center	10,000	7,844
Family Promise of Baldwin County	9,000	9,000
Feeding the Gulf Coast	2,500	4,500
Girl Scouts of Southern Alabama	18,000	20,500
Goodwill Easter Seals of the Gulf Coast, Inc.	9,000	11,800
Habitat for Humanity of Baldwin County	-	4,500
Home of Grace for Women, Inc.	18,000	18,000
Jennifer Claire Moore Foundation	21,333	18,000
North Baldwin Ecumencial Association	4,500	4,500
Publix Employee Fund	6,632	9,297
Ruff Wilson Youth Organization	13,500	15,793
Snook Youth Club	13,500	13,500
South Alabama Volunteer Lawyer's Program	9,000	11,240
South Baldwin Literacy Council	-	2,500
The Lighthouse	27,000	27,000
The MRDD Board	9,000	9,000

See independent auditor's report.

(continued)



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AGENCIES (CONTINUED)	2018	2017
The Shoulder of the Central Gulf Coast, Inc.	\$ 30,000	\$ 30,000
Volunteers of America- light of the City Youth Club	26,333	18,000
YMCA of South Alabama, Inc.	9,000	8,250
Youth Board Scholarships	1,500	4,000
2-1-1 System Cost/Counts	8,794	6,208
Special Designations	31,922	42,509
TOTAL	\$ 602,714	\$ 618,139

