

UNITED WAY OF BALDWIN COUNTY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

UNITED WAY OF BALDWIN COUNTY, INC.

DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2020 and 2019, 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 Baldwin County, Inc. as of December 31, 2020 and 2019, 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 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 Way of Baldwin 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 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.

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 Baldwin County'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

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for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 Baldwin County'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 Baldwin County'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 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 12 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 Hardy & Associates, P.C.

Gruenloh, Hardy & Associates, P.C.
Robertsdale, Alabama
June 28, 2021

FINANCIAL STATEMENTS

UNITED WAY OF BALDWIN COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,418,056	\$ 1,144,683
Certificates of deposits	267,426	263,293
Pledges receivable-next period, (net of allowance for uncollectibles)	412,608	396,384
Pledges receivable-current period, (net of allowance for uncollectibles)	70,256	52,214
Prepaid expenses	3,067	2,887
Total current assets	2,171,413	1,859,461
PROPERTY AND EQUIPMENT - NET	94,971	98,961
TOTAL ASSETS	\$ 2,266,384	\$ 1,958,422
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Due to designated agencies	\$ 22,295	\$ 18,118
Hurricane Sally relief fund deferral	220,254	-
Accounts payable	153	1,067
Accrued payroll and related liabilities	5,991	4,104
Total current liabilities	248,693	23,289
TOTAL LIABILITIES	248,693	23,289
NET ASSETS		
Without donor restrictions	1,594,308	1,670,993
With donor restrictions	423,383	264,140
Total net assets	2,017,691	1,935,133
TOTAL LIABILITIES AND NET ASSETS	\$ 2,266,384	\$ 1,958,422

See independent auditor's report and notes to the financial statements.

UNITED WAY OF BALDWIN COUNTY, INC.
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
CAMPAIGN REVENUE		
Campaign applicable to current period		
Campaign pledges received in prior periods (released from restriction)	\$ 540,344	\$ 638,968
Donor designations	(18,118)	(31,477)
Allowance for uncollectible pledges	(91,725)	(68,131)
Recovery (Loss) on bad debts	(3,651)	(8,684)
Total campaign revenue for current period	426,850	530,676
Campaign applicable to next allocation period		
Campaign pledges received	256,302	181,566
Total campaign results for current period	683,152	712,242
OTHER REVENUE		
Interest and dividend income	9,557	18,288
Special events	14,904	66,893
Other	63,369	117,225
Total other revenue	87,830	202,406
TOTAL REVENUE WITHOUT DONOR RESTRICTIONS	770,982	914,648
CAMPAIGN ALLOCATIONS EXPENSE		
Allocations to agencies	628,503	603,462
Allocations funded through designations	(22,295)	(18,118)
Net allocations expense	606,208	585,344
SUPPORTING EXPENSES		
Management and general	62,293	61,883
Fund raising	40,688	48,806
Total supporting expenses	102,981	110,689
PROGRAM EXPENSES		
Community services	128,783	131,397
Total program expenses	128,783	131,397
OTHER EXPENSES		
Payments to national/state organization	9,695	8,590
Total other expenses	9,695	8,590
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS (carried forward)	(76,685)	78,628

See independent auditor's report and notes to the financial statements.

	<u>2020</u>	<u>2019</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS (brought forward)	\$ (76,685)	\$ 78,628
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS CAMPAIGN APPLICABLE TO NEXT ALLOCATION PERIOD		
Pledges received	824,936	649,568
Allowance for uncollectible pledges	(33,622)	(31,653)
Advance contributions	(256,302)	(181,566)
Total campaign results for next allocation period	<u>535,012</u>	<u>436,349</u>
CAMPAIGN CONTRIBUTIONS RELEASED FROM RESTRICTIONS FOR THE CURRENT PERIOD		
Contributions received	705,866	525,321
Hurricane Sally relief fund designations	(220,254)	-
Donor designations	(18,118)	(31,477)
Allowance for uncollectible pledges	(91,725)	(68,131)
Total campaign results for current campaign	<u>375,769</u>	<u>425,713</u>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<u>159,243</u>	<u>10,636</u>
INCREASE (DECREASE) IN NET ASSETS	82,558	89,264
NET ASSETS - BEGINNING OF THE YEAR	<u>1,935,133</u>	<u>1,845,869</u>
NET ASSETS - END OF THE YEAR	<u>\$ 2,017,691</u>	<u>\$ 1,935,133</u>

UNITED WAY OF BALDWIN COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Management and General	Fund Raising	Program	Total
Salaries	\$ 20,340	\$ 20,341	\$ 94,923	\$ 135,604
Employee benefits	3,249	3,249	15,118	21,616
Total salaries and employee benefits	<u>23,589</u>	<u>23,590</u>	<u>110,041</u>	<u>157,220</u>
Professional fees	10,654	-	-	10,654
Telephone	2,404	-	1,250	3,654
Postage and printing	824	1,519	-	2,343
Special events	-	10,707	-	10,707
Meals and entertainment	50	139	999	1,188
Office supplies	2,857	-	-	2,857
Bank and credit card fees	1,472	-	-	1,472
Campaign supplies	-	2,656	-	2,656
Program expenses	-	-	13,224	13,224
Utilities	1,871	-	-	1,871
Repairs and maintenance	4,460	-	-	4,460
Communications & publicity	1,849	790	-	2,639
Travel and transportation	116	813	1,932	2,861
Organization dues	355	-	1,174	1,529
Insurance	5,794	474	-	6,268
Depreciation	5,853	-	-	5,853
Other	145	-	163	308
Total expenses	<u>\$ 62,293</u>	<u>\$ 40,688</u>	<u>\$ 128,783</u>	<u>\$ 231,764</u>

See independent auditor's report and notes to the financial statements.

UNITED WAY OF BALDWIN COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Management and General	Fund Raising	Program	Total
Salaries	\$ 18,921	\$ 18,921	\$ 88,470	\$ 126,312
Employee benefits	2,469	3,111	14,503	20,083
Total salaries and employee benefits	<u>21,390</u>	<u>22,032</u>	<u>102,973</u>	<u>146,395</u>
Professional fees	13,104	-	-	13,104
Telephone	2,467	-	1,200	3,667
Postage and printing	1,432	905	-	2,337
Special events	-	17,890	-	17,890
Meals and entertainment	513	875	1,305	2,693
Office supplies	1,738	-	-	1,738
Bank and credit card fees	1,272	-	-	1,272
Campaign supplies	-	3,262	-	3,262
Program expenses	-	-	17,487	17,487
Utilities	2,406	-	-	2,406
Repairs and maintenance	5,332	-	-	5,332
Communications & publicity	1,067	1,000	-	2,067
Travel and transportation	282	1,294	6,079	7,655
Conferences	30	298	616	944
Organization dues	25	-	1,647	1,672
Insurance	5,519	466	-	5,985
Depreciation	5,306	-	-	5,306
Other	-	784	90	874
Total expenses	<u>\$ 61,883</u>	<u>\$ 48,806</u>	<u>\$ 131,397</u>	<u>\$ 242,086</u>

See independent auditor's report and notes to the financial statements.

UNITED WAY OF BALDWIN COUNTY, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 82,558	\$ 89,264
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	5,853	5,306
(Increase) decrease in current assets:		
Pledges receivable	(34,266)	(47,111)
Prepaid expenses	(180)	624
Increase (decrease) in current liabilities:		
Due to designated agencies	4,177	(13,360)
Hurricane Sally relief fund deferral	220,254	-
Accounts payable	(914)	838
Accrued liabilities	1,887	(178)
Net cash provided (used) by operating activities	<u>279,369</u>	<u>35,383</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and building improvements	(1,863)	(3,231)
Roof replacement - net of insurance proceeds	-	(4,640)
(Increase) decrease in certificates of deposit	(4,133)	(104,278)
Net cash provided (used) by investing activities	<u>(5,996)</u>	<u>(112,149)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	273,373	(76,766)
Cash and Cash Equivalents at Beginning of Year	<u>1,144,683</u>	<u>1,221,449</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,418,056</u>	<u>\$ 1,144,683</u>

See independent auditor's report and notes to the financial statements.

UNITED WAY OF BALDWIN COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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.

Net Assets Without 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.

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 2020 and 2019.

Cash & Cash Equivalents

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

Contributed Services

During 2020 and 2019, approximately 1,434 and 2,089 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.

(continued)

UNITED WAY OF BALDWIN COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are 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.

Adoption of New Accounting Standards

In 2019, United Way adopted FASB Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This update does not change the presentation of the financial statements nor are there additional disclosures. However, this update requires management to evaluate whether the resource provider is receiving commensurate value in a transfer of resources and whether contributions are conditional or unconditional. Transactions involving commensurate value are outside the scope of this update. The determination of whether a contribution is conditional or unconditional is determined by if there are any barriers to overcome or if there is a right of return to the resource provider for assets transferred or a right of release of the promisor from its obligation to transfer its assets. As of December 31, 2019, there were no conditional contributions.

In January 2020, United Way adopted FASB Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), as modified, using the retrospective method. Adoption of Topic 606 did not have a material impact on the financial statements and therefore did not result in a prior period adjustment. Revenue is recognized as the performance obligation is satisfied. (See Note 11)

NOTE 2 DUE TO DESIGNATED AGENCIES

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

NOTE 3 EMPLOYEE BENEFIT PLANS

United Way provides benefit plans to its employees which include 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. United Way contributed 7% of gross wages in 2020 and 2019 to employee pension plans. Employer contributions to the benefit plans amounted to \$11,029 and \$10,317 during 2020 and 2019, respectively.

UNITED WAY OF BALDWIN COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 4 LIQUIDITY

United Way has \$1,755,738 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$1,418,056, certificates of deposit of \$267,426 and pledges receivable of \$70,256. 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.

NOTE 5 PLEDGES RECEIVABLE

Pledges receivable are comprised of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Pledges received for subsequent year		
Undesignated	\$ 423,935	\$ 409,919
Designated	<u>22,295</u>	<u>18,118</u>
Gross unconditional pledges	446,230	428,037
Less: Allowance for uncollectibles	<u>(33,622)</u>	<u>(31,653)</u>
Pledges received for subsequent year - net	<u>\$ 412,608</u>	<u>\$ 396,384</u>
Current year pledges outstanding as of December 31:		
Less: allowance for uncollectibles	<u>(91,725)</u>	<u>(68,132)</u>
Current year pledges outstanding as of December 31 - net	<u>\$ 70,256</u>	<u>\$ 52,214</u>

The allowance for uncollectible pledges is computed based upon a 15-year historical average, applied to gross campaign pledges, including donor designations.

NOTE 6 CONCENTRATION OF CREDIT RISK

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, 2020, United Way's cash balances did not exceed the FDIC limit.

NOTE 7 COST ALLOCATION – SALARY & EMPLOYEE BENEFITS

The financial statements report salary and employees benefit expenses that are attributable to either a program or supporting function of United Way of Baldwin County. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. United Way of Baldwin County allocates these expenses as follows: 70% program; 15% management and general; 15% fund raising.

UNITED WAY OF BALDWIN COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 8 PROPERTY AND EQUIPMENT

Major classifications of property and equipment as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 56,000	\$ 56,000
Buildings	129,506	129,506
Furniture and fixtures	30,350	30,350
Equipment	<u>20,018</u>	<u>18,155</u>
Total Property and Equipment	235,874	234,011
Less: Accumulated Depreciation	<u>(140,903)</u>	<u>(135,050)</u>
Total Property and Equipment - net	<u>\$ 94,971</u>	<u>\$ 98,961</u>

NOTE 9 COVID-19 VIRUS & RESPONSE

The COVID-19 virus first emerged as a mysterious illness reporting in Wuhan, China. The virus has subsequently spread worldwide and was declared a pandemic by the World Health Organization on March 11, 2020. On March 13, 2020, Governor Kay Ivey of the State of Alabama declared a state public health emergency and subsequently on April 3, 2020 issued a "Safer-At-Home" order for all citizens, which expired on April 9, 2021.

Payroll Protection Program

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020 to provide economic relief to businesses affected by the COVID-19 pandemic. The CARES Act provided a Payroll Protection Program (PPP) which is designed to help keep employees on the payroll and provide short-term cash-flow assistance to businesses in the form of loans. The PPP loans are administered by the Small Business Administration (SBA). United Way received PPP funding in the current year. See Note 10 related to the PPP loan amounts and terms.

NOTE 10 PAYROLL PROTECTION LOAN

On April 27, 2020, United Way received \$24,000 in PPP loan funding through Regions Bank. United Way's loan has an annual interest rate of 1% and a maturity of two years, with a deferment period of six months. However, the loan can be fully forgiven if used for allowable expenses. United Way received forgiveness of \$24,000 in principal and \$145 in accrued interest on December 3, 2020. This is reflected in other revenue on the statement of activities.

UNITED WAY OF BALDWIN COUNTY, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 11 HURRICANE SALLY RELIEF FUND

Hurricane Sally was a destructive Atlantic hurricane that made landfall in Gulf Shores, Alabama as a Category 2 hurricane on September 16, 2020. As a result of the significant damage to the area, United Way established a Hurricane Sally Relief Fund to accept donations for the purpose of assisting those within the community who have exhausted all other avenues to obtain financial assistance. United Way became the Fiscal Agent to this fund with oversight, distribution, and the authority to ensure that funds raised were used solely to help those in need on a case by case basis.

As of December 31, 2020, United Way received \$229,280 in funding for the Hurricane Sally Relief Fund and distributed \$9,026 in assistance. The difference of \$220,254 was deferred at December 31, 2020 to be recognized during the 2021 fiscal year. This performance obligation is presented as Hurricane Sally relief fund deferral on the statement of financial position.

NOTE 12 SUBSEQUENT EVENTS

Subsequent events were evaluated through June 28, 2021, which is the date the financial statements were available to be issued.

Related to Note 9, the COVID-19 virus continues to have a negative impact on the public. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on United Way's financial position, operations and cash flows. Possible effects may include, but are not limited to, absenteeism in United Way's workforce and disruption to United Way's ability to campaign for donations. Management's actions in response to these developments include the procurement of financing from the Small Business Administration, modification of employee work schedules, and communications with donors. However, United Way does expect to experience a negative impact due to the pandemic which cannot be reasonably estimated at this time.

SUPPLEMENTAL INFORMATION

UNITED WAY OF BALDWIN COUNTY, INC.

SCHEDULE OF DISTRIBUTIONS TO AGENCIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

AGENCIES	2020	2019
Alabama Sheriff's Boys Ranch	\$ 18,000	\$ 18,000
Alabama State Combined Campaign	823	1,001
American Red Cross, Alabama Gulf Coast Chapter	22,500	22,500
Association for Retarded Citizens of Baldwin County, Inc.	5,000	5,000
Backpack Program	9,296	-
Baldwin County Education Coalition	5,000	4,583
Baldwin Youth Services	16,200	16,200
Big Brother Big Sister of South Alabama	9,000	9,000
Boy Scouts of America - Mobile	9,824	8,981
CARE House, Inc.	32,133	32,133
Catholic Social Services	67,500	63,000
Christian Service Center	18,000	18,000
Cindy Haber Center	9,000	9,000
COVID Community Crisis Fund	71,285	-
Drug Education Council	12,000	9,000
Ecumenical Ministries, Inc.	68,400	68,400
Fairhope - Point Clear Youth Rotary	22,500	22,500
Family Center	5,000	5,000
Family Promise of Baldwin County	9,000	9,000
Feeding the Gulf Coast	2,500	2,500
Girl Scouts of Southern Alabama	18,000	18,000
Goodwill Easter Seals of the Gulf Coast, Inc.	9,000	9,000
Home of Grace for Women, Inc.	18,000	18,000
Hurricane Sally LTR Fund	9,025	-
Jennifer Claire Moore Foundation	21,333	21,333
North Baldwin Ecumenical Association	-	4,500
Publix Employee Fund	3,563	4,421
Ruff Wilson Youth Organization	13,500	13,500
Snook Youth Club	-	13,500
South Alabama Volunteer Lawyer's Program	9,000	9,000
South Baldwin Literacy Council	5,000	5,100
The Bridge	5,000	-
The Lighthouse	27,000	27,000

See independent auditor's report and notes to the financial statements.

(continued)

AGENCIES (CONTINUED)	2020	2019
The Shoulder of the Central Gulf Coast, Inc.	\$ 30,000	\$ 30,000
Under His Wings	5,000	5,000
Volunteers of America- Light of the City Youth Club	21,333	21,333
YMCA of South Alabama, Inc.	-	9,000
Youth Board Scholarships	3,750	4,250
2-1-1 System Cost/Counts	8,794	8,794
Special Designations & Grant Allocations	8,244	57,933
TOTAL	\$ <u>628,503</u>	\$ <u>603,462</u>

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June 28, 2021

To the Board of Directors
United Way of Baldwin County
Foley, Alabama

We have audited the financial statements of United Way of Baldwin County for the year ended December 31, 2020, and have issued our report thereon dated June 28, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 30, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by United Way of Baldwin County (United Way) are described in Note 1 to the financial statements. As described in Note 1, United Way changed accounting policies relating to recognition of revenue from contracts with customers by adopting FASB Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers" (Topic 606) in 2020. Accordingly, the accounting change has been applied retrospectively applied to prior periods presented as if the policy had always been used. We noted no transactions entered into by United Way during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the allowance for uncollectible promises to give is based on historical collection rates and an analysis of the collectability of individual promises. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 28, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to United Way's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as United Way's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of United Way of Baldwin County and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

 Jacob Hardy + Associates P.C.

Gruenloh, Hardy & Associates, P.C.