River Region United Way

FINANCIAL STATEMENTS

September 30, 2022 and 2021

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REPORT

CRI CARR RIGGS & INGRAM
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
River Region United Way

Opinion

We have audited the accompanying financial statements of River Region United Way (the Organization) which comprise the statements of financial position as of September 30, 2022 and 2021, 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 River Region United Way as of September 30, 2022 and 2021, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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, 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 the Organization'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 the Organization'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.

Carr, Riggs & Ingram, L.L.C.

Montgomery, Alabama
January 13, 2023

FINANCIAL STATEMENTS

September 30,	Without Donor Restrictions	With Donor Restrictions	2022 Totals	Without Donor Restrictions	With Donor Restrictions	2021 Totals
Assets						
Current assets						
Cash and cash equivalents	**$ 6,194,777**	**$ 293,333**	**$ 6,488,110**	$ 5,565,294	$ 172,904	$ 5,738,198
Grants receivable	**3,890**	**-**	**3,890**	1,593	-	1,593
Pledges receivable, net	**709,652**	**297,449**	**1,007,101**	334,934	150,346	485,280
Prepaid expense	**10,580**	**-**	**10,580**	35,612	-	35,612
Total current assets	**6,918,899**	**590,782**	**7,509,681**	5,937,433	323,250	6,260,683
Other assets						
Investments in marketable securities	**-**	**898,573**	**898,573**	-	1,096,577	1,096,577
Investment in limited partnership	**-**	**239,565**	**239,565**	-	227,088	227,088
Certificates of deposit	**138,566**	**37,517**	**176,083**	138,291	37,493	175,784
Property and equipment, net	**314,527**	**-**	**314,527**	337,230	-	337,230
Cash surrender value of life insurance	**6,912**	**-**	**6,912**	6,912	-	6,912
Total assets	**$ 7,378,904**	**$ 1,766,437**	**$ 9,145,341**	$ 6,419,866	$ 1,684,408	$ 8,104,274
Liabilities and net assets						
Current liabilities						
Accounts payable and accrued expenses	**$ 71,137**	**$ 462**	**$ 71,599**	$ 53,200	$ -	$ 53,200
Allocations and designations payable	**1,281,168**	**22,802**	**1,303,970**	1,217,303	30,035	1,247,338
Current portion of capital lease obligation	**9,029**	**-**	**9,029**	6,250	-	6,250
PPP loan payable	**-**	**-**	**-**	125,000	-	125,000
Refundable advance - grants	**-**	**-**	**-**	66,760	-	66,760
Custodial accounts	**25,612**	**-**	**25,612**	109,163	-	109,163
Total current liabilities	**1,386,946**	**23,264**	**1,410,210**	1,577,676	30,035	1,607,711
Long-term liabilities						
Capital lease obligation	**13,458**	**-**	**13,458**	18,210	-	18,210
Total liabilities	**1,400,404**	**23,264**	**1,423,668**	1,595,886	30,035	1,625,921
Net assets						
Net assets without donor restrictions						
Unrestricted	**4,522,268**	**-**	**4,522,268**	3,410,444	-	3,410,444
Board designated	**1,456,232**	**-**	**1,456,232**	1,413,536	-	1,413,536
Total net assets without donor restrictions	**5,978,500**	**-**	**5,978,500**	4,823,980	-	4,823,980
Net assets with donor restrictions	**-**	**1,743,173**	**1,743,173**	-	1,654,373	1,654,373
Total net assets	**5,978,500**	**1,743,173**	**7,721,673**	4,823,980	1,654,373	6,478,353
Total liabilities and net assets	**$ 7,378,904**	**$ 1,766,437**	**$ 9,145,341**	$ 6,419,866	$ 1,684,408	$ 8,104,274

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

River Region United Way
Statements of Activities

Year ended September 30,	2022		
	Without Donor Restrictions	With Donor Restrictions	Totals
Changes in net assets			
Gross campaign pledges for next allocation period	$ -	$ 553,308	$ 553,308
Less donor designations	-	(22,802)	(22,802)
Change in provision for uncollectible pledges	-	(20,678)	(20,678)
Net campaign pledges for next allocation period	-	509,828	509,828
Gross campaign pledges for current allocation period	2,784,660	-	2,784,660
Less donor designations	(457,394)	-	(457,394)
Change in provision for uncollectible pledges	297,846	-	297,846
Pledges released for current allocation period	217,717	(217,717)	-
Net campaign pledges for current allocation period	2,842,829	(217,717)	2,625,112
Gifts-in-kind	6,900	-	6,900
Grant revenue	522,661	-	522,661
Other contributions	86,286	6,887	93,173
Other contributions released from restrictions	30,123	(30,123)	-
PPP loan forgiveness	125,000	-	125,000
Net public support	3,613,799	268,875	3,882,674
Other revenues			
Investment return, net of fees	7,585	(180,075)	(172,490)
Gain (loss) on disposal of assets	(2,693)	-	(2,693)
Total other revenues	4,892	(180,075)	(175,183)
Net public support and other revenues	3,618,691	88,800	3,707,491
Allocations and expenses			
Program services:			
Allocations and other programs	1,925,605	-	1,925,605
Supporting expenses:			
Management and general	271,548	-	271,548
Fundraising	267,018	-	267,018
Total allocations and expenses	2,464,171	-	2,464,171
Increase in net assets	1,154,520	88,800	1,243,320
Net assets, beginning of year	4,823,980	1,654,373	6,478,353
Net assets, end of year	$ 5,978,500	$ 1,743,173	$ 7,721,673

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

Year ended September 30,	2021		
	Without Donor Restrictions	**With Donor Restrictions**	**Totals**
Changes in net assets			
Gross campaign pledges for next allocation period	$ -	$ 271,774	$ 271,774
Less donor designations	-	(30,034)	(30,034)
Change in provision for uncollectible pledges	-	(24,069)	(24,069)
Net campaign pledges for next allocation period	-	217,671	217,671
Gross campaign pledges for current allocation period	3,073,743	-	3,073,743
Less donor designations	(717,924)	-	(717,924)
Change in provision for uncollectible pledges	(71,220)	-	(71,220)
Pledges released for current allocation period	402,610	(402,610)	-
Net campaign pledges for current allocation period	2,687,209	(402,610)	2,284,599
Gifts-in-kind	22,445	-	22,445
Grant Revenue	25,743	-	25,743
Other contributions	147,127	10,244	157,371
Other contributions released from restrictions	26,545	(26,545)	-
PPP Loan forgiveness	125,000	-	125,000
Net public support	3,034,069	(201,240)	2,832,829
Other revenues			
Investment return, net of fees	4,069	154,100	158,169
Gain (loss) on disposal of assets	(137)	-	(137)
Other income	39,138	-	39,138
Total other revenues	43,070	154,100	197,170
Net public support and other revenues	3,077,139	(47,140)	3,029,999
Allocations and expenses			
Program services:			
Allocations and other programs	1,666,278	-	1,666,278
Supporting expenses:			
Management and general	116,492	-	116,492
Fundraising	482,479	-	482,479
Total allocations and expenses	2,265,249	-	2,265,249
Increase in net assets	811,890	(47,140)	764,750
Net assets, beginning of year	4,012,090	1,701,513	5,713,603
Net assets, end of year	$ 4,823,980	$ 1,654,373	$ 6,478,353

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

River Region United Way
Statements of Functional Expenses

Years ended September 30,	Program Services	Management and General	Fund-Raising	2022 Totals	Program Services	Management and General	Fund-Raising	2021 Totals
Gross distributions to agencies	**$ 1,414,955**	**$ -**	**$ -**	**$ 1,414,955**	$ 1,366,019	$ -	$ -	$ 1,366,019
Less: donor designations to agencies	**(577,591)**	**-**	**-**	**(577,591)**	(528,405)	-	-	(528,405)
Net allocations to agencies	**837,364**	**-**	**-**	**837,364**	837,614	-	-	837,614
Campaign expenses	**7,663**	**4,386**	**23,074**	**35,123**	16,479	814	27,228	44,521
Depreciation	**14,689**	**2,422**	**11,921**	**29,032**	15,241	2,989	14,915	33,145
Directors and officers and cyber insurance	**14,636**	**536**	**(8,912)**	**6,260**	2,941	547	2,584	6,072
Dues and memberships	**78,782**	**400**	**2,487**	**81,669**	77,877	1,303	1,696	80,876
Employee benefits	**49,386**	**43,821**	**34,440**	**127,647**	62,693	12,935	50,207	125,835
Grants and other program expenses	**445,740**	**-**	**-**	**445,740**	135,415	-	-	135,415
Interest expense	**1,200**	**184**	**899**	**2,283**	910	180	892	1,982
Investment and bank fees	**8,321**	**1,666**	**1,925**	**11,912**	12,515	2,377	2,683	17,575
Meetings	**4,894**	**804**	**2,871**	**8,569**	3,896	2,243	5,033	11,172
Occupancy and equipment	**65,323**	**9,482**	**10,498**	**85,303**	42,022	8,572	32,375	82,969
Outsourcing fees	**28,440**	**2,913**	**5,114**	**36,467**	12,387	2,415	11,899	26,701
Payroll taxes	**19,844**	**11,848**	**11,119**	**42,811**	26,469	5,153	21,209	52,831
Postage and shipping	**724**	**678**	**3,591**	**4,993**	867	157	3,230	4,254
Printing	**2,143**	**596**	**4,245**	**6,984**	2,300	458	3,840	6,598
Professional and legal fees	**116,385**	**28,529**	**29,442**	**174,356**	60,639	3,556	15,086	79,281
Promotional materials	**260**	**2,507**	**3,179**	**5,946**	2,447	2,495	3,466	8,408
Publications and subscriptions	**576**	**829**	**4**	**1,409**	326	117	36	479
Salaries	**223,626**	**158,781**	**125,913**	**508,320**	347,985	67,525	276,731	692,241
Supplies	**3,629**	**705**	**1,449**	**5,783**	3,972	1,197	3,880	9,049
Travel and conferences	**1,980**	**461**	**3,759**	**6,200**	1,283	1,459	5,489	8,231
	$ 1,925,605	**$ 271,548**	**$ 267,018**	**$ 2,464,171**	$ 1,666,278	$ 116,492	$ 482,479	$ 2,265,249

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

Years ended September 30,		2022		2021
Operating activities				
Increase in net assets	**$**	**1,243,320**	$	764,750
Adjustments to reconcile increase in net assets to net cash provided by operating activities:				
Depreciation		**29,032**		33,145
Provision for uncollectible pledges		**(277,167)**		95,289
(Gain) Loss on disposal of property and equipment		**2,693**		137
Realized and unrealized gains on investments		**197,337**		(139,525)
Forgiveness of PPP loan		**(125,000)**		(125,000)
(Increase) decrease in current assets:				
Grants receivable		**(2,297)**		(1,593)
Pledges receivable		**(244,654)**		34,013
Prepaid expense		**25,032**		(8,485)
Increase (decrease) in current liabilities:				
Accounts payable and accrued expenses		**18,399**		12,719
Allocations and designations payable		**56,632**		(209,074)
Custodial accounts		**(83,551)**		14
Refundable advance - grants		**(66,760)**		66,760
Net cash provided by operating activities		**773,016**		523,150
Investing activities				
Purchase of investments		**(170,155)**		(123,554)
Proceeds from sales and maturities of investments		**163,699**		140,494
Purchase of property and equipment		**(9,226)**		(2,881)
Change in cash surrender value of life insurance		**-**		265
Net cash provided by (used in) investing activities		**(15,682)**		14,324
Financing activities				
Proceeds from PPP loan payable		**-**		125,000
Principal payments on capital leases		**(7,422)**		(7,422)
Net cash provided by (used in) financing activities		**(7,422)**		117,578
Net increase in cash and cash equivalents		**749,912**		655,052
Cash and cash equivalents, beginning of year		**5,738,198**		5,083,146
Cash and cash equivalents, end of year	**$**	**6,488,110**	$	5,738,198
Supplemental information:				
Interest paid in cash during the year	**$**	**2,283**	$	1,982

Note 1: DESCRIPTION OF OPERATIONS

The River Region United Way (the Organization), is a non-profit voluntary health and welfare organization made up of public and private health and welfare agencies, community organizations, and representatives of the general public, providing administrative and other central services for carrying out its charitable and educational purposes in the river region. The majority of revenue consists of contributions from the general public in Montgomery, Autauga, Elmore, Macon, and Lowndes counties.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

The accompanying financial statements include the accounts of the Organization, exclusive of associated agencies. Each associated agency has its own independent board of directors and conducts independent service programs.

Use of Estimates

The presentation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates include useful lives of fixed assets, the provision for uncollectible pledges, fair value of investments and allocations of functional expenses.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in it corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for a general fund emergency fund.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (continued)

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Cash and Cash Equivalents and Certificates of Deposit

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less. Additionally, the Organization invests in certificates of deposit and values them at amortized cost

Grants and Pledges Receivable

Grants receivable are measured at net realizable value and recorded as receivable and revenue in the period in which the requirements of the grant have been met. The Organization considers all grant receivables to be fully collectible. Unconditional promises to give are recorded as pledges receivable and contribution revenue when the promise is made. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. The Organization uses the allowance method to recognize uncollectible pledges and other receivables. Accordingly, the Organization estimates uncollectible accounts based on historical actual bad debts and current economic conditions and records a provision for uncollectible pledges and other receivables based on this estimate.

Investments

Investments in marketable securities are carried at fair value in the statements of financial position. Donated investments are recorded at the fair market value of the asset on the date it was donated. Unrealized and realized gains and losses on marketable securities are included in investment return. Investment in limited partnership represents a less than 20% interest and is carried at cost, adjusted for earnings and distributions received from the company.

Certificates of Deposit

Non-negotiable certificates of deposit are carried at amortized cost.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment purchased by the Organization are carried at historical cost. Donated assets are recorded at their estimated fair market values at the date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets. Estimated useful lives are three to thirty-nine years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Revenue Recognition

Contributions received are recorded as with donor restriction or without donor restriction depending on the existence or nature of any donor restrictions. Contributions received in the year prior to the year in which they are available to be allocated are reported as net assets with donor restrictions and are then reclassified to net assets without donor restrictions upon expiration of the time restriction. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the same reporting period in which the support was received. Support that is restricted by the donor for a specific program or time period is reported as an increase in net assets with donor restrictions if the restriction expires in a later reporting period. Amounts are reclassified or released upon satisfaction of the donor restrictions.

Pledges received that are designated for a specific agency are recorded as designations payable due to agencies. The Organization receives and disburses these funds directly to the designated agency. The Organization honors these designations by contributors and has no variance power related to the underlying pledge. Therefore, they are not included in net public support or net allocations to agencies.

Program service fees and other income are recognized when performance obligations under the terms of the contracts with customers are satisfied. Certain performance obligations are satisfied at a specific point in time, while others are satisfied over time. As of September 30, 2022 and 2021, there were no performance obligations yet to be satisfied. Revenue for program service fees and other income is recognized when the services are provided in an amount that reflects the consideration that the Organization expects to be entitled to in exchange for those services. The nature of these services does not give rise to contract costs, refunds, warranties or other related obligations. 100% of non-contribution type revenue earned in the current year was at a point in time consisting of PPP loan forgiveness.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided fund-raising and other services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Expenditures that can be directly identified with a function are so classified. Payroll, occupancy, and related expenditures are distributed on a percentage basis determined from estimates of time and effort developed in preceding years that are adjusted for significant changes affecting a particular function.

Advertising

The Organization expenses advertising costs incurred. For the year ended September 30, 2022 and 2021, advertising costs were $6,190 and 4,093, respectively.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Internal Revenue Code. Additionally, the Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

The Organization has not recognized any respective liability for unrecognized tax benefits as it has no known tax positions that would subject the Organization to any material income tax exposure. The tax years that remain subject to examination are the periods beginning on October 1, 2018 for all major tax jurisdictions.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation. The reclassifications had no effect on net assets or the increase in net assets.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842).* The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases.* Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its financial statements.

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to bring more transparency and consistency to the presentation and disclosure of gifts-in-kind (GIKs). While many not-for-profits (NFPs) already separately report GIKs and make some of the disclosures required by ASU 2020-07, the new standard brings presentation and disclosure consistency across NFPs. For nonpublic entities, the standard is effective for fiscal years beginning after June 15, 2021. Accordingly, the Organization had adopted the requirements of the ASU in these financial statements. This adoption did not have a significant impact on the Organization's financial statements.

Subsequent Events

The Organization has evaluated subsequent events through the date the financial statements were available to be issued, January 13, 2023, and determined that there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 3: LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet operating needs and other contractual commitments, while also striving to maximize the investment of available funds. The Organization has various sources of liquidity at their disposal, including cash and cash equivalents and certificates of deposit. The Organization manages liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves. The Organization operates with a cash positive budget and anticipates collecting sufficient revenues to meet current expenditures.

Note 3: LIQUIDITY AND AVAILABILITY (CONTINUED)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

September 30,		2022		2021
Cash and cash equivalents	**$**	**6,194,777**	$	5,565,294
Certificates of deposit		**138,566**		138,291
	$	**6,333,343**	**$**	**5,703,585**

Note 4: PLEDGES RECEIVABLE

Pledges receivable, as shown in the accompanying statements of financial position, reflects pledges received during the current year for the current allocation period and pledges received in advance for the next allocation period.

The following is an analysis of grant and pledges receivable:

September 30,				2022		
		Amount Pledged To Be Collected		**Allowance for Uncollectible Amounts**		**Net**
Fiscal year 2021-22 campaign	**$**	**758,701**	**$**	**49,049**	**$**	**709,652**
Fiscal year 2022-23 campaign		**318,127**		**20,678**		**297,449**
Receivables, net	**$**	**1,076,828**	**$**	**69,727**	**$**	**1,007,101**

September 30,				2021		
		Amount Pledged To Be Collected		**Allowance for Uncollectible Amounts**		**Net**
Fiscal year 2020-21 campaign	$	806,117	$	471,183	$	334,934
Fiscal year 2021-22 campaign		174,415		24,069		150,346
Receivables, net	$	980,532	$	495,252	$	485,280

Note 5: INVESTMENTS

Investments consist of the following:

	2022		
September 30,	**Cost**	**Unrealized Gains (Losses)**	**Fair Value**
Mutual funds - fixed income	**$ 176,890**	**$ (17,247)**	**$ 159,643**
Mutual funds - equities	**420,603**	**83,869**	**504,472**
Bonds	**269,765**	**(35,307)**	**234,458**
Investments in marketable securities	**867,258**	**31,315**	**898,573**
Investment in limited partnership	**239,565**	**-**	**239,565**
Total investments	**$ 1,106,823**	**$ 31,315**	**$ 1,138,138**

	2021		
September 30,	**Cost**	**Unrealized Gains (Losses)**	**Fair Value**
Mutual funds - fixed income	$ 155,890	$ 6,607	$ 162,497
Mutual funds - equities	426,428	239,610	666,038
Bonds	260,298	7,744	268,042
Investments in marketable securities	842,616	253,961	1,096,577
Investment in limited partnership	227,088	-	227,088
Total investments	$ 1,069,704	$ 253,961	$ 1,323,665

Note 5: INVESTMENTS (Continued)

Investment return consists of the following:

Year ended September 30,	2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Interest and dividends	**$ 7,585**	**$ 25,035**	**$ 32,620**
Realized gains	**-**	**20,596**	**20,596**
Unrealized gains	**-**	**(217,933)**	**(217,933)**
Less: investment fees	**-**	**(7,773)**	**(7,773)**
Total investment return, net	**$ 7,585**	**$ (180,075)**	**$ (172,490)**

Year ended September 30,	2021		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Interest and dividends	$4,069	$23,686	$ 27,755
Realized gains	-	11,727	11,727
Unrealized gains	-	127,798	127,798
Less: investment fees	-	(9,111)	(9,111)
Total investment return, net	$ 4,069	$ 154,100	$ 158,169

Note 6: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

Note 6: FAIR VALUE MEASUREMENTS (Continued)

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2022 and 2021.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

The Organization's investments in marketable securities were carried at fair value in the statements of financial position as follows:

	Based on:		
September 30, 2022	**Level 1 inputs**	**Level 2 inputs**	**Level 3 inputs**
Mutual funds - fixed income	$ **159,643**	$ **-**	$ **-**
Mutual funds - equities	**504,472**	**-**	**-**
Bonds	**-**	**234,458**	**-**
	$ **664,115**	$ **234,458**	$ **-**

Note 6: FAIR VALUE MEASUREMENTS (Continued)

	Based on:		
September 30, 2021	**Level 1 inputs**	**Level 2 inputs**	**Level 3 inputs**
Mutual funds - fixed income	$162,497	$ -	$ -
Mutual funds - equities	666,038	-	-
Bonds	-	268,042	-
	$ 828,535	$ 268,042	$ -

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the year ended September 30, 2022, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 7: PROPERTY AND EQUIPMENT

Property and equipment at consist of the following:

September 30,	**2022**	**2021**
Furniture and equipment	**$ 201,478**	$ 230,919
Land	**72,162**	72,162
Building	**251,614**	251,614
Less: accumulated depreciation	**(210,727)**	(217,465)
	$ 314,527	$ 337,230

Depreciation expense was $29,032 and $33,145 for the years ended September 30, 2022 and 2021, respectively.

Note 8: LINE OF CREDIT

The Organization has a line of credit with a local bank. The line of credit allows the Organization to draw up to $250,000. All draws bear a variable interest rate of 1% over prime as of yearend. The amount outstanding on the line of credit at September 30, 2022 and 2021 was $-0-. There were no draws or payments associated with the line of credit for the years ended September 30, 2022 and 2021.

Note 9: CAPITAL LEASE OBLIGATION

The Organization has acquired equipment under the provisions of various long-term leases. For financial reporting purposes, minimum lease payments relating to the equipment have been capitalized. The property under capital lease as of September 30, 2022 and 2021 had a cost of $43,474 and $42,929, respectively, and a net book value of $20,987 and $21,157, respectively. The following is a schedule of future payments under lease:

Years ended September 30,		
2023	$	**9,480**
2024		**14,282**
2025		**719**
Total future minimum lease payments		**24,481**
Amount representing interest		**(1,994)**
Present value of future minimum capital lease payments		**22,487**
Current obligation		**9,029**
Long term portion of capital lease obligation	$	**13,458**

Note 10: PENSION PLAN

The Organization began a defined contribution plan on October 1, 1999 in which all employees who have reached the age of 21 and have completed one year of service are eligible to participate in the plan. Employer contributions to the plan are equal to ten percent of eligible employees’ salaries. Contributions to the plan for the years ended September 30, 2022 and 2021 were $51,728 and $50,986, respectively.

Note 11: CONCENTRATION OF CASH AND CREDIT RISK

The Organization maintains its cash balances at financial institutions in Montgomery, Alabama. The Federal Depository Insurance Corporation (FDIC) insures these balances to $250,000 at each institution. Uninsured balances at September 30, 2022 and 2021 were $5,481,693 and $3,777,043, respectively.

A majority of contribution pledges received by the Organization comes from the counties of Montgomery, Elmore, Autauga, Macon and Lowndes within Alabama.

Note 12: BOARD DESIGNATED NET ASSETS

Certain unrestricted net assets have been designated by the Board for the following purposes:

September 30,	**2022**	**2021**
General Fund Emergency Fund	**$ 1,456,232**	$ 1,413,536

Note 13: NET ASSETS WITH DONOR RESTRICTIONS

Amounts included in next allocation period on the statement of activities are donor restricted net assets related to the 2022-2023 and 2021-2022 campaign allocation periods, respectively. They include cash, pledges receivable (net of allowance for uncollectible pledges), and designations payable. The Organization considers this a donor restriction as to time.

Interpretation of Relevant Law

The Organization has interpreted the State of Alabama 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 endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment, (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

Note 13: NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Interpretation of Relevant Law (Continued)

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

a) The duration and preservation of the fund
b) The purposes of the Organization and the donor-restricted endowment fund
c) General economic conditions
d) The possible effect of inflation and deflation
e) The expected total return from income and the appreciation of investments
f) Other resources of the Organization
g) The investment policies of the Organization

Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with US GAAP, deficiencies of this nature are reported in net assets without donor restrictions. There were no such deficiencies as of September 30, 2022 and 2021.

Investment Policy

The objectives of the Organization call for a program to guide the investment of funds in a manner that will ultimately enable the Organization to fund its central services functions entirely through endowments and investments. The procedures to attain the objectives include consideration for the safety of capital, liquidity to meet short-range needs and maximization of the yield on investments. The Investment Committee of the Organization is responsible for the annual review of the assets and investment performance of the investment managers.

Expenditures Policy

The Organization's expenditures from these funds are restricted by donor request at the time the funds are received and are adhered to as follows:

The Annual Giving Trust was established by gift to the Organization in 2001 with the purpose of encouraging other bequests to the endowment. The conditions under the trust agreement are as follows: income earned on the investments is restricted from use for the first 10 years after the date of the gift, and the principal of the investment is restricted from use for 50 years after the date of the gift. The trust is held at Regions Bank. The trust allows for the payment of investment management fees annually.

Note 13: NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Expenditures Policy (continued)

In December, 2002, the Organization was given a gift to establish the Allendale Fund. Initially, the gift consisted of an assigned interest in a limited partnership, which had a fair market value of $143,400 on the date of the gift. Use of the funds from the fund is to be determined by the Organization's board at the time that income from the partnership and/or the partnership interest is distributed to the Organization.

The DeTocqueville Fund was established in 1998 in order to encourage contributors to join the DeTocqueville Society. The DeTocqueville Society is comprised of contributors who give $10,000 or more to the United Way campaign each year. For contributors who wish to join the DeTocqueville Society, the Fund provides for certain matching of contributions in the first two years. Specifically, the Fund matches a contributor's gift in the first year at $5,000, in the second year, the Fund provides a match of $2,500 for the contributor's gift of $7,500. In the third year, contributors give the full $10,000. The purpose of the fund is to encourage major gift giving and to grow the fund to cover overhead expenses such that 100% of other donors' pledges go directly to the community.

The Myron J. Rothschild Fund for Emergency Relief was established during the fiscal year ended September 30, 1983. Initial contributions to the Fund are to be held as an endowment for the purpose of assisting families and individuals in need as a result of situations of hardship and suffering not covered by organized relief agencies. The Fund is under the management and control of a three-person committee that makes all determinations concerning the investment of the principal and the disbursement of the income. The assets of the Fund were moved to a financial institution trust fund in September 2014.

Note 13: NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The assets, net assets, revenue and expenses for these restricted funds are as follows:

September 30,	2022					
	Next Allocation Period	**Annual Giving Trust**	**DeTocqueville Fund**	**Rothschild Fund**	**Allendale Fund**	**Total**
Assets:						
Cash and cash equivalents	$ 235,189	$ 9,619	$ 34,717	$ 13,808	$ -	$ 293,333
Investments, at fair value	-	549,382	-	349,191	239,565	1,138,138
Certificates of deposit	-	-	-	-	37,517	37,517
Pledges receivable, net	297,449	-	-	-	-	297,449
Designations payable	(22,802)	-	-	-	-	(22,802)
Accounts payable	(462)	-	-	-	-	(462)
Total assets	$ 509,374	$ 559,001	$ 34,717	$ 362,999	$ 277,082	$ 1,743,173
Net assets with donor restrictions	$ 509,374	$ 559,001	$ 34,717	$ 362,999	$ 277,082	$ 1,743,173
Total net assets with donor restrictions	$ 509,374	$ 559,001	$ 34,717	$ 362,999	$ 277,082	$ 1,743,173
Support and revenue:						
Gross pledges / contributions	$ 553,308	$ -	$ -	$ 6,887	$ -	$ 560,195
Less donor designations	(22,802)	-	-	-	-	(22,802)
Less provision for uncollectibles	(20,678)	-	-	-	-	(20,678)
Investment return, net of fees	-	(126,739)	17	(65,854)	12,501	(180,075)
Total support and revenue	509,828	(126,739)	17	(58,967)	12,501	336,640
Released from restrictions	(217,717)	(7,846)	-	(22,277)	-	(247,840)
Increase (decrease) in net assets with donor restrictions	$ 292,111	$ (134,585)	$ 17	$ (81,244)	$ 12,501	$ 88,800

Note 13: NET ASSETS WITH DONOR RESTRICTIONS (Continued)

September 30,	2021					
	Next Allocation Period	Annual Giving Trust	DeTocqueville Fund	Rothschild Fund	Allendale Fund	Total
Assets:						
Cash and cash equivalents	$96,952	$6,371	$34,700	$34,881	$ -	$ 172,904
Investments, at fair value	-	687,215	-	409,362	227,088	1,323,665
Certificates of deposit	-	-	-	-	37,493	37,493
Pledges receivable, net	150,346	-	-	-	-	150,346
Designations payable	(30,035)	-	-	-	-	(30,035)
Total assets	$ 217,263	$ 693,586	$ 34,700	$ 444,243	$ 264,581	$ 1,654,373
Net assets with donor restrictions	$ 217,263	$ 693,586	$ 34,700	$ 444,243	$ 264,581	$ 1,654,373
Total net assets with donor restrictions	$ 217,263	$ 693,586	$ 34,700	$ 444,243	$ 264,581	$ 1,654,373
Support and revenue:						
Gross pledges / contributions	$271,774	$ -	$ -	$10,245	$ -	$ 282,019
Less donor designations	(30,034)	-	-	-	-	(30,034)
Less provision for uncollectibles	(24,069)	-	-	-	-	(24,069)
Investment return, net of fees	-	88,705	18	60,712	4,665	154,100
Total support and revenue	217,671	88,705	18	70,957	4,665	382,016
Released from restrictions	(402,610)	(8,883)	-	(17,663)	-	(429,156)
Increase (decrease) in net assets with donor restrictions	$ (184,939)	$ 79,822	$ 18	$ 53,294	$ 4,665	$ (47,140)

Note 14: ANNUAL CAMPAIGN

The annual fundraising campaign is conducted to raise support to invest in community program services and strategic initiatives. Each year, the Organization reports to the public the total estimated annual campaign funds raised. Actual results may differ from estimated amounts publicly reported due to timing differences on multi-year pledges and receipts for future campaigns, among other things. The fiscal year 2022 and 2021 commitments to programs and agencies are based on the results of the 2021 and 2020 campaigns, and are reflected as net allocations to agencies expense in the statement of functional expenses for the years ended September 30, 2022 and 2021, respectively.

Note 15: PAYCHECK PROTECTION PROGRAM

In April 2020, in response to the global pandemic, the Organization applied for and received a $125,000 loan through the Paycheck Protection Program under the CARES Act. The Organization applied for forgiveness of $125,000 of the debt and recorded the amount as PPP loan forgiveness during 2021. On January 12, 2021, the Organization received notice that the $125,000 and related interest had been forgiven.

In March 2021, the Organization applied for and received a second $125,000 loan through the Paycheck Protection Program (PPP) under the CARES Act. The Organization applied for forgiveness of $125,000 of the debt and recorded the amount as PPP loan forgiveness during 2022. On January 12, 2022, the Organization received notice that the $125,000 and related interest had been forgiven.

Note 16: GIFTS-IN-KIND

All donated services and goods were utilized for the Organization's program expenditures. There were no donor-imposed restrictions associated with the contributed services or goods.

For the year ended September 30, 2022 and 2021, gifts-in-kind recognized in the statement of activities included:

September 30,		**2022**		**2021**
Donated service	**$**	**6,900**	$	15,140
Donated goods		-		7,305
	$	**6,900**	$	22,445

REQUIRED COMMUNICATIONS

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January 13, 2023

To the Board of Directors
River Region United Way

We are pleased to present the results of our audit of the 2022 financial statements of the River Region United Way (the Organization).

This report to the Board of Directors and management summarizes our audit, the report issued and various analyses and observations related to the Organization's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the Organization's 2022 financial statements. We considered the Organization's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of River Region United Way (the Organization).

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Board of Directors, management and others within the Organization and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact us at 334-271-6678.

Very truly yours,

Carr, Riggs & Ingram, L.L.C.

Montgomery, Alabama

As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the Organization. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on the Organization's financial statements for the year ended September 30, 2022;

- Communicate directly with the Board of Directors and management regarding the results of our procedures;

- Address with the Board of Directors and management any accounting and financial reporting issues;

- Anticipate and respond to concerns of the Board of Directors and management; and

- Other audit-related projects as they arise and upon request.

We have audited the financial statements of River Region United Way for the year ended September 30, 2022, and have issued our report thereon dated January 13, 2023. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Auditors' responsibility under Generally Accepted Auditing Standards	As stated in our engagement letter dated September 19, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the combined financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities. As part of our audit, we considered the internal control of the Organization. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
Client's responsibility	Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, changes in net assets, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud. Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.
Planned scope and timing of the audit	Our initial audit plan was not significantly altered during our fieldwork.
Management judgments and accounting estimates *The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.*	Please see the following section titled "Accounting Policies, Judgments & Sensitive Estimates & CRI Comments on Quality."

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Potential effect on the financial statements of any significant risks and exposures *Major risks and exposures facing the Organization and how they are disclosed.*	No such risks or exposures were noted.
Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles • *The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.* • *The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of the Organization's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures.* • *Critical accounting policies and practices applied by the Organization in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;*	Significant accounting policies are described in Note 2 to the financial statements. We noted no transactions entered into by the organization 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. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosure of grant and pledge receivables in Note 4 and the fair value of investment in Note 6. The financial statement disclosures are neutral, consistent, and clear. ***Recent Accounting Pronouncements*** In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842).* The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases.* Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its financial statements.

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles (Continued) • *Alternative treatments within U.S. GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.*	In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to bring more transparency and consistency to the presentation and disclosure of gifts-in-kind (GIKs). While many not-for-profits (NFPs) already separately report GIKs and make some of the disclosures required by ASU 2020-07, the new standard brings presentation and disclosure consistency across NFPs. For nonpublic entities, the standard is effective for fiscal years beginning after June 15, 2021. Accordingly, the Organization had adopted the requirements of the ASU in these financial statements. This adoption did not have a significant impact on the Organization's financial statements.
Significant difficulties encountered in the audit *Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.*	We encountered no significant difficulties in dealing with management in performing and completing our audit.
Disagreements with management *Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.*	We are pleased to report that no such disagreements arose during the course of our audit.
Other findings or issues *Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.*	None noted.
Matters arising from the audit that were discussed with, or the subject of correspondence with, management *Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.*	None noted.

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Corrected and uncorrected misstatements *All significant audit adjustments arising from the audit, whether or not recorded by the Organization, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.*	Please see the following section titled "Summary of Audit Adjustments."
Major issues discussed with management prior to retention *Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.*	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Consultations with other accountants *When management has consulted with other accountants about significant accounting or auditing matters.*	To our knowledge, there were no such consultations with other accountants.
Written representations *A description of the written representations the auditor requested (or a copy of the representation letter).*	See "Management Representation Letter" section.
Internal control deficiencies *Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.*	See "Internal Control Findings" section.
Fraud and illegal acts *Fraud involving senior management, the CFO or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditors' attention involving senior management and any other illegal acts, unless clearly inconsequential.*	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Other information in documents containing audited financial statements *The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.*	Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether: • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.
Significant unusual accounting transactions *Auditor communication with governance to include auditors' views on policies and practices management used, as well as the auditors' understanding of the business purpose.*	No significant unusual accounting transactions were noted during the year.

We are required to communicate our judgments about the quality, not just the acceptability, of the Organization's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. 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 Board of Directors may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Depreciation of Property and Equipment, Net	Assets are depreciated over the expected remaining useful life of the individual asset.	X	Judgments in this area relate to the estimate of the remaining useful life of the asset.	The Organization's policies are in accordance with all applicable accounting guidelines.
Pledges Receivables	Pledges receivables and contributions support are recorded when promises to give are made. The allowance method is used to recognize uncollectible pledges and other receivables.	X	Judgments in this area relate to the estimate of the amount of pledges receivables and contributions support and the collectability of these amounts.	The Organization's policies are in accordance with all applicable accounting guidelines.
Fair value measurement of investments	Investments in marketable securities are carried at fair value.	X	Judgments in this area relate to the determination of fair value of investment securities.	The Organization's policies are in accordance with all acceptable accounting guidelines.
Allocation of Functional Expenses	The Organization allocates expenses to functional area based on estimated percentage of time and effort.	X	Judgement in this area relate to the estimated percentage of time devoted to each function.	We evaluated the key factors and assumptions used to develop the functional expense allocation percentages and determined that it is reasonable in relation to the financial statements taken as a whole.

During the course of our audit, we accumulate differences between amounts recorded by the Organization and amounts that we believe are required to be recorded in accordance with accounting principles generally accepted in the United States of America. Those adjustments are either recorded (corrected) by the Organization or passed (uncorrected). All such proposed adjustments have been recorded by management. A summary of the proposed adjustments is presented below.

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Organization’s operating environment that has been identified as playing a significant role in the Organization’s operations or viability.
- Whether the difference affects compliance with regulatory requirements.

<u>Recorded by the Organization:</u>

We proposed an adjustment to beginning net assets and grant revenue related to proper classification of grant revenue between 2022 and 2021.

We proposed an adjustment to record investment income for certain investment holdings.

We proposed an adjustment to properly classify campaign revenue between the 2021 campaign and the 2022 campaign in order to properly account for net assets with donor restrictions.

January 13, 2023

Carr, Riggs, & Ingram
7550 Halcyon Summit Drive
Montgomery, Alabama 36117

This representation letter is provided in connection with your audit of the financial statements of River Region United Way, which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 13, 2023, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 19, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.

3) We acknowledge our responsibility 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.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization's accounts.

9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.

11) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

12) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.

13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

15) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:

    a) Management,

    b) Employees who have significant roles in internal control, or

    c) Others where the fraud could have a material effect on the financial statements.

16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.

17) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

18) We are not aware of any pending or threatened litigation, claims, or assessment or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S.GAAP, we have not consulted a lawyer concerning litigation, claims or assessments.

19) We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.

20) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

22) River Region United Way is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

23) In regard to the financial statement preparation, tax preparation, maintenance of fixed asset schedule, and any other non-attest services performed by you, we have-

    a) Assumed all management responsibilities.

    b) Designated Jannah Bailey who has suitable skill, knowledge, or experience to oversee the services.

    c) Evaluated the adequacy and results of the services performed.

    d) Accepted responsibility for the results of the services.

Signature: ___________________________________

Title: ____

INTERNAL CONTROL RECOMMENDATIONS

CRI CARR RIGGS & INGRAM
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To the Board of Directors
River Region United Way

In planning and performing our audit of the financial statements of River Region United Way (the Organization) as of and for the year ended September 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We included in the accompanying table a material weakness and certain improvement points, along with recommendations for management and the Board of Directors' consideration.

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

Carr, Riggs & Ingram, L.L.C.

Montgomery, Alabama
January 13, 2023

The following legend should be used in conjunction with reviewing the "Rating" of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness

ITEM	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
1	IP	Auditor Adjustments/ Beginning of year Net Assets	During our audit procedures, we determined that 2021-2022 opening balances did not agree to our final 2021 audited balances. As a result, we proposed entries to correct beginning of year balances in Net Assets.	We recommend that management ensure that all audit adjustments are recorded in the general ledger in the correct period and that Net Assets be reconciled to the final audited financial statements.	
2	IP	Auditor Adjustments/ Investments and Investment Income	During our audit procedures, we determined that investment income was not properly recorded for a particular investment. As a result, we proposed entries to correct these balances.	We recommend management ensure all investment accounts are reconciled to underlying statements periodically throughout the year.	
3	MW	Auditor Adjustments / Campaign Revenue	During our audit, we noted that campaign revenue was not properly recorded between the 2021 and 2022 campaigns. As a result, we proposed entries to correct these balances.	We recommend that management ensure all campaign revenue amounts by campaign year are reconciled to underlying campaign reports periodically throughout the year.	

ITEM	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
4	IP	ITGC / Access Controls	During our audit procedures, we determined that a former employee's user account for the web based MRI software remained active after the employee's departure.	We recommend that management ensure that employee processes are reviewed to ensure software user accounts are properly granted and revoked based on the employeement status with the Organization.	
5	IP	Grant Accounting	During our audit procedures, we noted that certain grants were not reconciled on a timely basis throughout the year.	We recommend management ensure all grants accounts are reconciled to the underlying direct costs, overhead costs, and grant drawdowns periodically throughout the year.	