



Wiregrass 2-1-1

FINANCIAL STATEMENTS

September 30, 2023



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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Wiregrass 2-1-1
Dothan, AL

We have reviewed the accompanying financial statements of Wiregrass 2-1-1 (the "Agency") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Wiregrass 2-1-1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

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

CARR, RIGGS & INGRAM, LLC

Enterprise, Alabama

October 25, 2024

Wiregrass 2-1-1
Statement of Financial Position

September 30, 2023

Assets

Current assets

Cash and cash equivalents \$ 211,159

Liabilities and Net Assets

Current liabilities

Accrued expenses \$ 564

Net assets

With donor restrictions -

Without donor restrictions 210,595

Total net assets 210,595

Total liabilities and net assets \$ 211,159

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

**Wiregrass 2-1-1
Statement of Activities**

<i>For the year ended September 30,</i>	Without Donor Restrictions	With Donor Restrictions	2023 Total
Revenue and Other Support			
Grants and contracts	\$ 224,359	\$ -	\$ 224,359
Contributions	41,985	-	41,985
In-kind contributions	5,950	-	5,950
Interest income	1,390	-	1,390
Total revenue and other support	273,684	-	273,684
Expenses			
<i>Program services</i>			
Community Referral Services	214,688	-	214,688
<i>Supporting services</i>			
Administration	23,260	-	23,260
Fundraising	4,153	-	4,153
Total supporting services	27,413	-	27,413
Total expenses	242,101	-	242,101
Change in net assets	31,583	-	31,583
Net assets at beginning of year	179,012	-	179,012
Net assets at end of year	\$ 210,595	\$ -	\$ 210,595

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

Wiregrass 2-1-1
Statement of Functional Expenses

For the year ended September 30, 2023

	Program Services	Supporting Services	2023 Total
Salaries	\$ 160,994	\$ -	\$ 160,994
Payroll taxes	12,296	-	12,296
Fringe benefits	24,356	-	24,356
Dues and subscriptions	9,762	-	9,762
Fundraising	-	4,153	4,153
Insurance	1,527	-	1,527
Office supplies	1,185	-	1,185
Other program services	753	617	1,370
Postage	-	139	139
Printing and publications	-	4,580	4,580
Professional fees	-	10,450	10,450
Rent	-	1,800	1,800
Small equipment	1,507	-	1,507
Telephone	-	4,933	4,933
Travel	2,308	-	2,308
Utilities	-	741	741
Total	\$ 214,688	\$ 27,413	\$ 242,101

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

Wiregrass 2-1-1
Statement of Cash Flows

<i>For the year ended September 30,</i>	2023
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Operating Activities	
Net change in net assets	\$ 31,583
Change in operating assets and liabilities	
Accrued expenses	160
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Net change in cash and cash equivalents	31,743
Cash and cash equivalents, at beginning of year	179,416
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Cash and cash equivalents, at end of year	\$ 211,159
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The accompanying notes are an integral part of these financial statements.

Note 1: DESCRIPTION OF THE ORGANIZATION

Wiregrass 2-1-1 (the “Agency”) is a non-profit agency engaged to build community support by providing and strengthening the way residents and organizations in Southeast Alabama access comprehensive and specialized information and referral services to create a stronger community. The Agency operates a call center serving the citizens of the Wiregrass area of Southeast Alabama by providing an easy to remember toll-free number through which individuals can access various types of services such as basic human needs; physical and mental health; employment support; support for seniors and people with disabilities; support for children, youth and their families; disaster aid and other community services.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using 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).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, 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. There are no estimates that are particularly susceptible to significant change in the near term.

Program Services

The Agency’s program services consist of the following:

Community Referral Program – The Agency assists individuals in obtaining community resources such as healthcare, mental health, housing, food, educational, family support, senior services and suicide prevention.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. As of September 30, 2023, no assets had met the capitalization threshold.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Agency employees accrue earned time off (“ETO”) which can be used for both personal leave and sick leave. The accrual rates are as follows:

Years of Service	Accrual Rate
1 – 3	6.7 hours per pay period
4 or more	8 hours per pay period

The maximum amount of ETO in which an employee can vest is 80 hours. Accrued ETO is not payable upon termination and, accordingly, is not included in accrued expenses.

Net Assets

The Agency 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 Agency, the environment in which it operates, the purposes specified in its 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.

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. Contributions with donor restrictions that are both received and released within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

Revenue Recognition

Revenue from dues and fees, member services, and payments under various contracts is recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statements of financial position.

A significant portion of the Agency’s grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of the entire facility are allocated across functional areas based on a fixed percentage.

Advertising

The Agency uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred and are not considered significant to the financial statements.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Agency is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration of self-insurance activities, and commissions.

The Agency utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of September 30, 2023, the Agency has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Effective January 1, 2022, the Agency adopted ASC 842. The implementation of ASC 842 did not have a material impact on the statement of financial position, statement of activities, nor the statement of cash flows.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (continued)

model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Agency adopted ASU 2016-13 on January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 25, 2024, see Note 7 for relevant disclosures.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Agency maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Agency's expenditures come due. Management invests cash in excess of daily requirements in liquid certificates of deposits. Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use within one year of the statement of financial position date, at September 30, 2023 consist of cash and cash equivalents totaling \$211,159.

Note 4: CONTRIBUTIONS IN-KIND

All donated space, services, and goods were utilized by the Agency's program and supporting services. There were no donor-imposed restrictions associated with the contributed space, services, or goods.

Donated space is valued at the fair value of similar properties available in commercial real estate listings. Donated services are valued using the time sheets maintained on the volunteers, using the most recent Bureau of Labor Statistics' average hourly wage for counselors in the Agency's metropolitan area. Donated professional services of \$5,950 were recorded at fair market value at the date of donation. Donated non-professional services were \$55,953 for the year ended September 30, 2023. Donated goods are valued at the wholesale prices that would be received for selling similar products.

Note 5: DEFINED CONTRIBUTION PLAN

The Agency sponsors a defined contribution plan (the Plan) covering all employees that meet certain eligibility requirements who agree to make contributions to the Plan. The Agency makes a contribution to the Plan each year equal to 5% of all eligible participants' compensation. Employees are eligible to make contributions to the plan up to statutory maximums. During the fiscal year ended September 30, 2023, the Agency incurred \$8,050 in retirement costs.

Note 6: CONCENTRATIONS

At times, the Agency may maintain cash balances in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Agency manages this risk by maintaining all deposits in high quality financial institutions. All deposits are fully insured by the FDIC up to the maximum coverage.

Note 7: SUBSEQUENT EVENTS

Subsequent to September 30, 2023, the Agency acquired real property totaling \$126,803 for which long-term debt totaling \$100,000 was utilized. Terms of the debt require monthly payments of \$890 through October 2028, including interest at 6.75%. A balloon payment of \$78,087 comes due in October 2028. In April and May 2024, the Agency made renovations to the real property totaling \$22,170.