

# **JACKSON COUNTY UNITED WAY, INC.**

**FINANCIAL STATEMENTS**

**AND**

**SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2020 AND 2019**

*CPAs / ADVISORS*



**JACKSON COUNTY UNITED WAY, INC.**

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DECEMBER 31, 2020 AND 2019

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## REPORT OF INDEPENDENT AUDITORS

Board of Directors  
Jackson County United Way, Inc.  
Seymour, Indiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the Jackson County United Way, Inc. (the "Organization") which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information on page 19 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Blue & Co., LLC*

Seymour, Indiana

August 20, 2021

# JACKSON COUNTY UNITED WAY, INC.

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2020 AND 2019

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### ASSETS

	<u>2020</u>	<u>2019</u>
Cash	\$ 895,067	\$ 710,944
Certificates of deposit	88,438	88,025
Board designated investments	24,171	23,415
Pledges receivable, net	219,009	346,010
Grant receivable	14,492	31,464
Prepaid expenses	5,060	2,400
Office furniture and equipment, net	<u>2,107</u>	<u>3,341</u>
	<u>\$ 1,248,344</u>	<u>\$ 1,205,599</u>

### LIABILITIES AND NET ASSETS

#### Liabilities

Accounts payable	\$ 25,468	21,954
Designations payable	9,760	17,978
Agency liability	<u>-0-</u>	<u>1,416</u>
Total liabilities	35,228	41,348

#### Net assets

Without donor restrictions		
Board designated reserve	158,750	158,750
Undesignated	<u>435,874</u>	<u>368,272</u>
	594,624	527,022
With donor restrictions		
Restricted due to time restrictions	423,758	583,759
Restricted for specified purpose	<u>194,734</u>	<u>53,470</u>
	<u>618,492</u>	<u>637,229</u>
Total net assets	<u>1,213,116</u>	<u>1,164,251</u>
	<u>\$ 1,248,344</u>	<u>\$ 1,205,599</u>

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See accompanying notes to financial statements.

**JACKSON COUNTY UNITED WAY, INC.**

STATEMENTS OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Support and revenues</b>				
Gross campaign results	\$ 199,931	\$ 459,388	\$ 659,319	\$ 778,263
Less donor designations	(3,550)	(630)	(4,180)	(7,426)
Less provision for uncollectible accounts	410	(35,000)	(34,590)	(45,000)
Net campaign results	196,791	423,758	620,549	725,837
Grants and contributions	133,601	474,714	608,315	286,729
In-kind services	360	-0-	360	3,052
Investment return	2,641	-0-	2,641	5,002
Miscellaneous	8,532	-0-	8,532	8,401
Net assets released from restrictions	917,209	(917,209)	-0-	-0-
Total support and revenues	1,259,134	(18,737)	1,240,397	1,029,021
<b>Expenses</b>				
Program	1,006,150	-0-	1,006,150	835,820
Management and general	58,780	-0-	58,780	81,269
Fundraising	126,602	-0-	126,602	131,862
Total expenses	1,191,532	-0-	1,191,532	1,048,951
Change in net assets	67,602	(18,737)	48,865	(19,930)
<b>Net assets, beginning of year</b>	527,022	637,229	1,164,251	1,184,181
<b>Net assets, end of year</b>	<u>\$ 594,624</u>	<u>\$ 618,492</u>	<u>\$ 1,213,116</u>	<u>\$ 1,164,251</u>

*See accompanying notes to financial statements.*

# JACKSON COUNTY UNITED WAY, INC.

## STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2019

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	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenues</b>			
Gross campaign results	\$ 142,234	\$ 636,029	\$ 778,263
Less donor designations	(156)	(7,270)	(7,426)
Less provision for uncollectible accounts	<u>-0-</u>	<u>(45,000)</u>	<u>(45,000)</u>
Net campaign results	142,078	583,759	725,837
Grants and contributions	206,373	80,356	286,729
In-kind services	3,052	-0-	3,052
Investment return	5,002	-0-	5,002
Miscellaneous	8,401	-0-	8,401
Net assets released from restrictions	<u>735,604</u>	<u>(735,604)</u>	<u>-0-</u>
Total support and revenues	1,100,510	(71,489)	1,029,021
<b>Expenses</b>			
Program	835,820	-0-	835,820
Management and general	81,269	-0-	81,269
Fundraising	<u>131,862</u>	<u>-0-</u>	<u>131,862</u>
Total expenses	<u>1,048,951</u>	<u>-0-</u>	<u>1,048,951</u>
Change in net assets	51,559	(71,489)	(19,930)
<b>Net assets, beginning of year</b>	<u>475,463</u>	<u>708,718</u>	<u>1,184,181</u>
<b>Net assets, end of year</b>	<u>\$ 527,022</u>	<u>\$ 637,229</u>	<u>\$ 1,164,251</u>

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See accompanying notes to financial statements.

**JACKSON COUNTY UNITED WAY, INC.**

STATEMENTS OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2020  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019)

	2020					2019	
	Program		Total Program	Management and General	Fundraising	Total	Total
Agency & Community Services	Covering Kids & Families						
Agency allocations	\$ 497,223	\$ -0-	\$ 497,223	\$ -0-	\$ -0-	\$ 497,223	\$ 504,657
Grants	259,079	-0-	259,079	-0-	-0-	259,079	-0-
Salaries	67,582	72,369	139,951	24,496	77,001	241,448	285,467
Payroll taxes	6,432	5,579	12,011	6,448	5,977	24,436	20,010
Professional services	3,043	2,407	5,450	16,485	14,381	36,316	24,558
Bank charges	439	-0-	439	734	-0-	1,173	1,768
Consulting	-0-	-0-	-0-	-0-	-0-	-0-	5,999
Occupancy	6,887	3,443	10,330	3,232	8,832	22,394	26,496
In-kind expense	360	-0-	360	-0-	-0-	360	3,052
Insurance	1,226	613	1,839	3,013	613	5,465	4,705
Meetings, conferences and training	13,811	64	13,875	505	39	14,419	5,028
Association fees	3,187	-0-	3,187	798	3,984	7,969	9,630
Dues and subscriptions	1,512	141	1,653	457	664	2,774	29,617
Campaign supplies	-0-	-0-	-0-	-0-	137	137	4,433
Employee benefits	3,816	5,529	9,345	519	5,868	15,732	26,060
Special events & marketing	36,132	50	36,182	-0-	382	36,564	43,068
Repairs and maintenance	5,099	562	5,661	122	6,523	12,306	10,496
Telephone	1,462	3,024	4,486	331	1,103	5,920	4,457
Supplies	2,266	248	2,514	261	189	2,964	22,176
Postage	1,683	116	1,799	145	796	2,740	3,974
Transportation	236	470	706	-0-	113	819	5,918
Miscellaneous	60	-0-	60	-0-	-0-	60	5,650
Depreciation	-0-	-0-	-0-	1,234	-0-	1,234	1,732
	<u>\$ 911,535</u>	<u>\$ 94,615</u>	<u>\$ 1,006,150</u>	<u>\$ 58,780</u>	<u>\$ 126,602</u>	<u>\$ 1,191,532</u>	<u>\$ 1,048,951</u>

See accompanying notes to financial statements.



**JACKSON COUNTY UNITED WAY, INC.**

STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2019

	Program					
	Agency & Community Services	Covering Kids & Families	Total Program	Management and General	Fundraising	Total
Agency allocations	\$ 504,657	\$ -0-	\$ 504,657	\$ -0-	\$ -0-	\$ 504,657
Salaries	42,074	127,973	170,047	36,198	79,222	285,467
Payroll taxes	3,040	9,058	12,098	2,587	5,325	20,010
Professional services	1,948	5,277	7,225	14,190	3,143	24,558
Bank charges	4	-0-	4	656	1,108	1,768
Consulting	5,999	-0-	5,999	-0-	-0-	5,999
Occupancy	6,428	8,124	14,552	3,474	8,470	26,496
In-kind expense	3,052	-0-	3,052	-0-	-0-	3,052
Insurance	958	745	1,703	2,786	216	4,705
Meetings, conferences and training	1,657	2,917	4,574	24	430	5,028
Association fees	6	-0-	6	9,614	10	9,630
Dues and subscriptions	20,970	10	20,980	1,483	7,154	29,617
Campaign supplies	117	680	797	-0-	3,636	4,433
Employee benefits	4,361	10,619	14,980	1,236	9,844	26,060
Special events & marketing	23,130	16,627	39,757	42	3,269	43,068
Repairs and maintenance	619	1,494	2,113	4,463	3,920	10,496
Telephone	1,378	1,710	3,088	122	1,247	4,457
Supplies	12,369	7,689	20,058	768	1,350	22,176
Postage	655	-0-	655	660	2,659	3,974
Transportation	1,338	3,550	4,888	171	859	5,918
Miscellaneous	3,612	975	4,587	1,063	-0-	5,650
Depreciation	-0-	-0-	-0-	1,732	-0-	1,732
	<u>\$ 638,372</u>	<u>\$ 197,448</u>	<u>\$ 835,820</u>	<u>\$ 81,269</u>	<u>\$ 131,862</u>	<u>\$ 1,048,951</u>

See accompanying notes to financial statements.

# JACKSON COUNTY UNITED WAY, INC.

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

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	2020	2019
<b>Operating activities</b>		
Change in net assets	\$ 48,865	\$ (19,930)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,234	1,732
Provision for uncollectible accounts	34,590	45,000
Interest earned on certificates of deposit	(378)	(2,386)
Investment income earned on board designated investments	(1,836)	(3,640)
Changes in assets and liabilities:		
Pledges receivable	92,411	51,270
Grant receivable	16,972	(10,742)
Prepaid expenses	(2,660)	3,996
Accounts payable	3,514	10,873
Designations payable	(8,218)	(5,236)
Agency liability	(1,416)	-0-
Deferred revenue	-0-	(55,358)
Net cash flows from operating activities	<u>183,078</u>	<u>15,579</u>
<b>Investing activities</b>		
Purchase of certificates of deposit	(35,353)	(40,000)
Maturities of certificates of deposit	35,318	41,640
Distributions received from board designated investments	<u>1,080</u>	<u>895</u>
Net cash flows from investing activities	<u>1,045</u>	<u>2,535</u>
Net change in cash	184,123	18,114
<b>Cash, beginning of year</b>	<u>710,944</u>	<u>692,830</u>
<b>Cash, end of year</b>	<u>\$ 895,067</u>	<u>\$ 710,944</u>

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See accompanying notes to financial statements.

# JACKSON COUNTY UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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### 1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Operations

Jackson County United Way, Inc. (the "Organization") was formed in 1962 to continually assess the needs of the people of Jackson County and improve their quality of life by raising and allocating funds for human care and developmental programs. Substantially all support is received from various individuals and businesses in Jackson County and surrounding areas.

Covering Kids and Families is a program ran by the Organization and funded by Covering Kids & Families of Indiana, Inc. to assist community members in obtaining health insurance coverage at a price the member can afford as well as help the member understand how to use health insurance and how to keep health coverage.

#### Management's Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported support, revenues and expenses. Actual results could vary from the estimates that were used.

#### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis, and have been prepared with a focus on the entity as a whole. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of the Organization are classified and reported as follows:

Net assets without donor restrictions: Net assets that are currently available for operating purposes under the direction of the board of directors (Board) or designated by the Board for specific use.

Net assets with donor restrictions: Net assets subject to donor stipulations for specific purposes or time restrictions.

#### Certificates of Deposit

Certificates of deposit consist of multiple certificates from various financial institutions with maturity dates from May 2021 to October 2023 and interest rates ranging from 0.10 percent to 1.75 percent. Certificates of deposit are valued at the original cost plus accrued interest.

# JACKSON COUNTY UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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### Board Designated Investments

The Board has designated certain amounts for future expenditures and investment in operations and placed it in a custodial fund with the Community Foundation of Jackson County, Inc.

These investments are measured at fair value in the Statements of Financial Position. Investment income or loss, including realized and unrealized gains and losses on investments, interest, and dividends, is included in investment return in the Statements of Activities. The funds are invested in accordance with the Community Foundation of Jackson County, Inc.'s investment policy.

### Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Pledges and contributions received and committed for subsequent years from the annual fund drive held late in the calendar year are recorded as net assets with donor restrictions due to time restriction. These amounts are reflected as net assets released from restrictions during the program year for which the funds were designated.

The Organization uses the allowance method to determine the uncollectible unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Receivables are considered uncollectible if (1) over two years outstanding or (2) management has reasons to believe specified amounts will not be collected, usually based on confirmation from donors.

### Office Furniture and Equipment

Office furniture and equipment, including expenditures that substantially increase the useful lives of existing assets, are recorded at cost except for donations, which are recorded at fair value at the date of the donation. Costs of ordinary maintenance and repairs are expensed as incurred.

Office furniture and equipment of the Organization are being depreciated over their estimated useful lives ranging from three to five years using the straight-line method.

### Agency Liability

The Organization serves as fiscal agent of funds for certain organizations. The amounts are reported as an agency liability in the Statements of Financial Position.

### Support, Revenues and Expense Recognition

Contributions are recognized as support in the period the promise is made.

Support and revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as

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# JACKSON COUNTY UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

All other revenues are recorded when earned.

### In-Kind Contributions

In addition to receiving cash contributions, the Organization receives in-kind contributions of services from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. For the years ended December 31, 2020 and 2019, revenue recognized as in-kind contributions and contributed services totaled \$360 and \$3,052, respectively.

### Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report expenses that are attributed to more than one program or supporting function. Those expenses include salaries, payroll taxes, employee benefits, insurance, occupancy and supplies. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of time, effort and usage. While the methods of allocation are considered appropriate, other methods could produce different results.

### Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal taxes on related income pursuant to Section 501(a) of the Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of

# JACKSON COUNTY UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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a liability or disclosure in the accompanying financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

As such, the Organization is generally exempt from income taxes. However, the Organization is required to file Federal Form 990 – Return of Organization Exempt from Income Tax which is an informational return only.

### Paycheck Protection Program

In May 2020, the Organization received a low interest loan in the amount of \$49,700 under the Paycheck Protection Program (PPP) administered by the Small Business Administration (SBA). The PPP loan was unsecured, beared interest at 1% and funds advanced under the program were subject to forgiveness, if certain criteria was met, with the remaining balance repayable within two years of disbursement. The PPP loan was forgivable to the extent that employers incur and spend the funds on qualified expenditures, which included payroll, employee health insurance, rent, utilities and interest costs during the covered period as defined by the PPP guidance. In addition, employers had to maintain specified employment and wage levels during the pandemic and submit adequate documentation of such expenditures to qualify for loan forgiveness.

The Organization has elected to treat this loan as a conditional contribution and recognized contributions in the amount of \$49,700 when forgiveness of the loan was received on December 8, 2020, which represents 100% of the loan proceeds. This revenue is recognized as grants and contributions revenue on the 2020 statement of activities.

### Subsequent Events

The Organization has evaluated events or transactions occurring subsequent to the Statement of Financial Position date for recognition and disclosure in the accompanying financial statements through the date the financial statements are available to be issued, which is August 20, 2021.

On March 1, 2021, the Organization received a second low interest loan in the amount of \$58,358 under the PPP administered by the SBA. The PPP loan is unsecured, bears interest at 1% and funds advanced under the program are subject to forgiveness, if certain criteria are met, with the remaining balance repayable within five years of disbursement. The PPP loan may be forgivable to the extent that employers incur and spend the funds on qualified expenditures during the covered period as defined in the PPP guidance.

## **2. BOARD DESIGNATED INVESTMENTS**

The Organization has transferred assets to the Community Foundation of Jackson County, Inc. and retained a beneficial interest in those assets. The Organization is to receive a grant annually based upon the Community Foundation of Jackson County, Inc.'s spending policy. The

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# JACKSON COUNTY UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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Organization has granted variance power to the community foundation to carry out the purpose of the designated endowment created by the initial transfer.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2: Inputs to the valuation methodology include 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 for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. 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'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 December 31, 2020 and 2019.

- *Board designated investments:* Valued at fair value as reported by the Community Foundation of Jackson County (the "Foundation"), which represents the Organization's pro-rata interest in the Foundation's investment pool, substantially all of which are valued on a mark-to-market basis.

The fair value of these assets is measured on a recurring basis using significant unobservable inputs (Level 3) and included in the Statements of Financial Position at \$24,171 and \$23,415 at December 31, 2020 and 2019, respectively. The Organization's policy is to recognize transfers, if any, between levels as of the actual date of the event or change in circumstances. There were no transfers during 2020 or 2019.

**JACKSON COUNTY UNITED WAY, INC.**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

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The progression of this endowment fund is as follows:

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 23,415	\$ 20,670
Investment return, net	2,218	4,014
Grant payments	(1,080)	(895)
Administrative fees	<u>(382)</u>	<u>(374)</u>
	<u>\$ 24,171</u>	<u>\$ 23,415</u>

**3. PLEDGES RECEIVABLE, NET**

An analysis of pledges receivable at December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
2018 Campaign due during the year ended December 31, 2019	\$ -0-	\$ 116,949
2019 Campaign due during the year ended December 31, 2020	86,442	319,600
2020 Campaign due during the year ended December 31, 2021	<u>209,611</u>	<u>-0-</u>
Totals	296,053	436,549
Less allowance for uncollectible pledges	<u>77,044</u>	<u>90,539</u>
	<u>\$ 219,009</u>	<u>\$ 346,010</u>

The campaign conducted during the fall of 2019 with pledges due in 2020 is referred to as the 2019 campaign, and the campaign conducted during the fall of 2020 with pledges due in 2021 is referred to as the 2020 campaign.



# JACKSON COUNTY UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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### 4. OFFICE FURNITURE AND EQUIPMENT

A summary of office furniture and equipment at December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Office furniture and equipment	\$ 28,457	\$ 31,847
Less accumulated depreciation	<u>26,350</u>	<u>28,506</u>
	<u>\$ 2,107</u>	<u>\$ 3,341</u>

### 5. DESIGNATIONS PAYABLE

Designations payable as of December 31, 2020 and 2019 were \$9,760 and \$17,978, respectively. These amounts consist of donor designations payable to multiple not-for-profit agencies both within and outside of Jackson County to assist them in their operations and cause. The total amount recorded as payable as of December 31, 2020 is expected to be paid in 2021 and 2022.

### 6. NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with donor restrictions at December 31, 2020 and 2019 are available to the following purposes:

	<u>2020</u>	<u>2019</u>
Restricted to future time period	\$ 423,758	\$ 583,759
Restricted for the following purposes:		
Rock 'n Ready	20,914	21,752
Day of Caring	13,064	11,269
Financial Stability	98,787	12,462
Seeking Hope Community Prevention & Recovery	7,987	7,987
COVID Relief	49,982	-0-
Resource Roundup	4,000	-0-
	<u>194,734</u>	<u>53,470</u>
	<u>\$ 618,492</u>	<u>\$ 637,229</u>

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# JACKSON COUNTY UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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Net assets released from restrictions consist of the following during the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Released from time restrictions	\$ 583,759	\$ 682,316
Restricted from the following purposes:		
Rock 'n Ready	23,002	12,652
Day of Caring	930	2,558
Capacity Building	-0-	27,858
Financial Stability	42,839	10,207
Seeking Hope Community Prevention & Recovery	-0-	13
COVID Relief	258,309	-0-
Resource Roundup	3,000	-0-
Other	<u>5,370</u>	<u>-0-</u>
	<u>\$ 917,209</u>	<u>\$ 735,604</u>

### 7. BOARD DESIGNATED RESERVE

The Organization maintains a reserve in an amount equal to at least three months average operating costs (defined as the Organization's funding and partner distributions as determined by the forthcoming year's budget) with a desired target balance of six months average operating costs.

### 8. OPERATING LEASES

The Organization leases office space under a lease agreement which expired September 2020 however continued month to month through December 31, 2020. Monthly payments include rent and utilities and total \$21,554 and \$26,496 for the years ended December 31, 2020 and 2019, respectively.

### 9. RELATED PARTY TRANSACTIONS

The Organization received \$22,164 and \$25,439 in contributions from members of the Organization's board of directors and employees during the years ended December 31, 2020 and 2019, respectively.

# JACKSON COUNTY UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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### 10. LIQUIDITY AND AVAILABILITY

As a fundraising entity, the Organization receives significant contributions each year from donors, which are available to meet annual cash needs for general expenditures. Allocations to agencies are paid monthly over a 15-month period. During that same 15-month period, additional contributions are received from donors.

Financial assets available for general expenditures within one year of the Statement of Financial Position date comprise the following:

	2020	2019
Cash	\$ 895,067	\$ 710,944
Certificates of deposit maturing within one year	46,079	35,318
Pledges receivable, net	219,009	346,010
Grant receivable	<u>14,492</u>	<u>31,464</u>
	1,174,647	1,123,736
Less restricted for specified purpose	<u>(194,734)</u>	<u>(53,470)</u>
Total financial assets available	<u>\$ 979,913</u>	<u>\$ 1,070,266</u>

The pledges receivable are subject to implied time restrictions but are expected to be collected within one year. None of the financial assets above are subject to donor or other contractual restrictions that make them unavailable.

The Organization maintains a reserve which represents 3-months of average operating costs. At December 31, 2020 and 2019, the reserve balance included in the financial assets above is \$158,750.

### 11. CONCENTRATIONS

The Organization is exposed to concentrations of credit risk for pledge amounts due to the vast majority of donors residing in Jackson County, Indiana. Although the Organization is directly affected by the well-being of the economy of Jackson County, management does not believe significant credit risk exists at December 31, 2020.

The Organization maintains its cash and certificates of deposit in bank deposit accounts insured by the Federal Deposit Insurance Corporation at its current coverage levels. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and certificates of deposit.

# JACKSON COUNTY UNITED WAY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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### 12. CONTINGENCY

On March 11, 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national and global economies. The extent to which COVID-19 impacts the Organization's operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Potential impacts include, but are not limited to, additional costs for responding to COVID-19, increased demand for services and delays, loss of, or reduction to, revenue, contributions and funding. Management believes the Organization is taking appropriate actions to respond to the pandemic, however, the full impact is unknown and cannot be reasonably estimated at the date the financial statements were available to be issued.

### 13. RECENTLY ISSUED ACCOUNTING STANDARDS

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This new standard, which the Organization is not required to adopt until its year ending December 31, 2022, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their consolidated statements of financial position the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity's consolidated statements of financial position.

The Organization is presently evaluating the effects that this ASU will have on its future financial statements, including related disclosures.

SUPPLEMENTARY INFORMATION

**JACKSON COUNTY UNITED WAY, INC.**

SCHEDULES OF ALLOCATIONS TO AGENCIES  
YEARS ENDED DECEMBER 31, 2020 AND 2019

Agency	2020			2019		
	Allocation	Program	Total	Allocation	Program	Total
American Red Cross	\$ 21,071	\$ 30,400	\$ 51,471	\$ 28,972	\$ 27,099	\$ 56,071
Hoosier Trails Boy Scouts	6,207	5,440	11,647	8,534	4,960	13,494
Kentuckiana Girl Scouts	7,133	5,440	12,573	9,808	3,400	13,208
Mental Health America	3,754	4,400	8,154	5,162	2,900	8,062
Jackson County ARC	4,094	3,200	7,294	5,630	2,300	7,930
Salvation Army	1,775	3,200	4,975	2,441	2,750	5,191
Boys & Girls Club	40,936	31,500	72,436	66,046	23,797	89,843
Girls, Inc.	50,875	69,200	120,075	69,953	50,449	120,402
Meals on Wheels	1,200	-0-	1,200	1,200	-0-	1,200
Brownstown Senior Citizens	3,500	-0-	3,500	3,500	-0-	3,500
Medora Senior Citizens	1,700	-0-	1,700	1,700	-0-	1,700
Big Brothers Big Sisters	20,722	18,400	39,122	28,493	17,632	46,125
Crothersville Senior Citizens	3,500	-0-	3,500	3,500	-0-	3,500
Human Services	2,156	30,400	32,556	2,965	23,500	26,465
Turning Point	10,270	37,500	47,770	14,122	19,890	34,012
Read Jackson County	8,776	6,000	14,776	12,067	4,139	16,206
Seymour Senior Citizens	2,700	-0-	2,700	2,700	-0-	2,700
Child Care Network	6,056	24,000	30,056	8,328	15,000	23,328
Anchor House	9,905	20,513	30,418	13,620	16,800	30,420
Freetown Senior Citizens	1,300	-0-	1,300	1,300	-0-	1,300
	<u>\$ 207,630</u>	<u>\$ 289,593</u>	<u>\$ 497,223</u>	<u>\$ 290,041</u>	<u>\$ 214,616</u>	<u>\$ 504,657</u>