

JACKSON COUNTY UNITED WAY, INC.

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2022 AND 2021

CPAs / ADVISORS



JACKSON COUNTY UNITED WAY, INC.

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REPORT OF INDEPENDENT AUDITORS

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

Opinion

We have audited the accompanying financial statements of Jackson County United Way, Inc. (the "Organization"), a nonprofit organization, which comprise the statements of financial position as of December 31, 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 the Organization as of December 31, 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 Auditor's 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Allocations to Agencies is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and

other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Blue & Co., LLC

Seymour, Indiana

August 28, 2023

JACKSON COUNTY UNITED WAY, INC.

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Cash	\$ 988,565	\$ 928,993
Certificates of deposit	89,308	88,855
Board designated investments	23,525	27,024
Pledges receivable, net	185,924	208,815
Grant receivable	16,112	14,242
Prepaid expenses	6,179	6,247
Office furniture and equipment, net	<u>3</u>	<u>1,015</u>
	<u>\$ 1,309,616</u>	<u>\$ 1,275,191</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 34,798	\$ 19,948
Allocations payable	249,638	88,713
Designations payable	11,774	11,612
Other liabilities	<u>-0-</u>	<u>4,000</u>
Total liabilities	296,210	124,273

Net assets

Without donor restrictions		
Board designated reserve	158,750	158,750
Undesignated	<u>391,334</u>	<u>464,918</u>
	550,084	623,668
With donor restrictions		
Restricted due to time restrictions	273,163	382,301
Restricted for specified purpose	<u>190,159</u>	<u>144,949</u>
	<u>463,322</u>	<u>527,250</u>
Total net assets	<u>1,013,406</u>	<u>1,150,918</u>
	<u>\$ 1,309,616</u>	<u>\$ 1,275,191</u>

See accompanying notes to financial statements.

JACKSON COUNTY UNITED WAY, INC.

STATEMENTS OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenues				
Gross campaign results	\$ 182,341	\$ 307,101	\$ 489,442	\$ 608,813
Less donor designations	-0-	(5,938)	(5,938)	(3,098)
Less provision for uncollectible accounts	(22,722)	(28,000)	(50,722)	(20,421)
Net campaign results	159,619	273,163	432,782	585,294
Grants and contributions	123,994	148,757	272,751	345,208
Investment return	(376)	-0-	(376)	4,615
Employee retention credit	71,855	-0-	71,855	-0-
Miscellaneous	9,282	-0-	9,282	8,593
Net assets released from restrictions	485,848	(485,848)	-0-	-0-
Total support and revenues	850,222	(63,928)	786,294	943,710
Expenses				
Program	632,492	-0-	632,492	813,114
Management and general	187,044	-0-	187,044	97,150
Fundraising	104,270	-0-	104,270	95,644
Total expenses	923,806	-0-	923,806	1,005,908
Change in net assets	(73,584)	(63,928)	(137,512)	(62,198)
Net assets, beginning of year	623,668	527,250	1,150,918	1,213,116
Net assets, end of year	<u>\$ 550,084</u>	<u>\$ 463,322</u>	<u>\$ 1,013,406</u>	<u>\$ 1,150,918</u>

See accompanying notes to financial statements.

JACKSON COUNTY UNITED WAY, INC.

STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Gross campaign results	\$ 201,674	\$ 407,139	\$ 608,813
Less donor designations	(260)	(2,838)	(3,098)
Less provision for uncollectible accounts	1,579	(22,000)	(20,421)
Net campaign results	202,993	382,301	585,294
Grants and contributions	177,868	167,340	345,208
Investment return	4,615	-0-	4,615
Miscellaneous	8,593	-0-	8,593
Net assets released from restrictions	640,883	(640,883)	-0-
Total support and revenues	1,034,952	(91,242)	943,710
Expenses			
Program	813,114	-0-	813,114
Management and general	97,150	-0-	97,150
Fundraising	95,644	-0-	95,644
Total expenses	1,005,908	-0-	1,005,908
Change in net assets	29,044	(91,242)	(62,198)
Net assets, beginning of year	594,624	618,492	1,213,116
Net assets, end of year	<u>\$ 623,668</u>	<u>\$ 527,250</u>	<u>\$ 1,150,918</u>

See accompanying notes to financial statements.

JACKSON COUNTY UNITED WAY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022					2021	
	Program		Total Program	Management and General	Fundraising	Total	Total
Agency & Community Services	Covering Kids & Families						
Agency allocations	\$ 439,550	\$ -0-	\$ 439,550	\$ -0-	\$ -0-	\$ 439,550	\$ 443,566
Grants	-0-	-0-	-0-	-0-	-0-	-0-	168,380
Salaries	33,167	70,192	103,359	83,754	69,642	256,755	216,096
Payroll taxes	2,379	5,034	7,413	6,008	4,995	18,416	20,371
Professional services	-0-	-0-	-0-	52,150	-0-	52,150	48,414
Bank charges	-0-	-0-	-0-	699	110	809	783
Occupancy	-0-	3,675	3,675	10,460	-0-	14,135	16,705
Insurance	-0-	-0-	-0-	4,837	-0-	4,837	6,048
Meetings, conferences and training	3,511	603	4,114	1,323	28	5,465	4,014
Association fees	3,387	-0-	3,387	6,774	5,645	15,806	30,237
Dues and subscriptions	3,796	-0-	3,796	444	760	5,000	6,882
Campaign supplies and printing	54	237	291	-0-	3,447	3,738	579
Employee benefits	2,033	9,312	11,345	5,130	4,266	20,741	13,003
Special events & marketing	27,540	134	27,674	312	32	28,018	11,261
Repairs and maintenance	19,021	634	19,655	8,987	12,802	41,444	3,633
Utilities	-0-	2,494	2,494	2,373	-0-	4,867	4,883
Supplies	147	533	680	2,218	307	3,205	4,781
Curriculum	3,403	-0-	3,403	-0-	1,398	4,801	3,681
Postage	-0-	249	249	538	625	1,412	116
Transportation	186	123	309	25	123	457	295
Miscellaneous	1,098	-0-	1,098	-0-	90	1,188	1,088
Depreciation	-0-	-0-	-0-	1,012	-0-	1,012	1,092
	<u>\$ 539,272</u>	<u>\$ 93,220</u>	<u>\$ 632,492</u>	<u>\$ 187,044</u>	<u>\$ 104,270</u>	<u>\$ 923,806</u>	<u>\$ 1,005,908</u>

See accompanying notes to financial statements.

JACKSON COUNTY UNITED WAY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program		Total Program	Management and General	Fundraising	Total
	Agency & Community Services	Covering Kids & Families				
Agency allocations	\$ 443,566	\$ -0-	\$ 443,566	\$ -0-	\$ -0-	\$ 443,566
Grants	163,380	5,000	168,380	-0-	-0-	168,380
Salaries	54,489	68,308	122,797	31,307	61,992	216,096
Payroll taxes	5,136	6,439	11,575	2,952	5,844	20,371
Professional services	-0-	-0-	-0-	48,414	-0-	48,414
Bank charges	-0-	-0-	-0-	783	-0-	783
Occupancy	4,677	4,344	9,021	4,009	3,675	16,705
Insurance	2,573	1,286	3,859	903	1,286	6,048
Meetings, conferences and training	3,498	141	3,639	75	300	4,014
Association fees	11,416	-0-	11,416	3,702	15,119	30,237
Dues and subscriptions	6,349	171	6,520	88	274	6,882
Campaign supplies and printing	12	-0-	12	5	562	579
Employee benefits	4,275	4,848	9,123	1,601	2,279	13,003
Special events & marketing	10,619	289	10,908	141	212	11,261
Repairs and maintenance	742	522	1,264	589	1,780	3,633
Utilities	952	2,428	3,380	376	1,127	4,883
Supplies	2,124	870	2,994	765	1,022	4,781
Curriculum	3,681	-0-	3,681	-0-	-0-	3,681
Postage	47	23	70	23	23	116
Transportation	169	126	295	-0-	-0-	295
Miscellaneous	614	-0-	614	325	149	1,088
Depreciation	-0-	-0-	-0-	1,092	-0-	1,092
	<u>\$ 718,319</u>	<u>\$ 94,795</u>	<u>\$ 813,114</u>	<u>\$ 97,150</u>	<u>\$ 95,644</u>	<u>\$ 1,005,908</u>

See accompanying notes to financial statements.

JACKSON COUNTY UNITED WAY, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
	<u> </u>	<u> </u>
Operating activities		
Change in net assets	\$ (137,512)	\$ (62,198)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,012	1,092
Provision for uncollectible accounts	50,722	20,421
Interest earned on certificates of deposit	(340)	(229)
Investment return on board designated investments	2,356	(3,948)
Changes in assets and liabilities:		
Pledges receivable	(27,831)	(10,227)
Grant receivable	(1,870)	250
Prepaid expenses	68	(1,187)
Accounts payable	14,850	(5,520)
Allocations payable	160,925	88,713
Designations payable	162	1,852
Other liabilities	(4,000)	4,000
Net cash flows from operating activities	<u>58,542</u>	<u>33,019</u>
Investing activities		
Purchase of certificates of deposit	(35,502)	(46,267)
Maturities of certificates of deposit	35,389	46,079
Distributions received from board designated investments	<u>1,143</u>	<u>1,095</u>
Net cash flows from investing activities	<u>1,030</u>	<u>907</u>
Net change in cash	59,572	33,926
Cash, beginning of year	<u>928,993</u>	<u>895,067</u>
Cash, end of year	<u>\$ 988,565</u>	<u>\$ 928,993</u>

See accompanying notes to financial statements.

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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 July 2023 to May 2026 and interest rates ranging from 0.05 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, 2022 AND 2021

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.

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 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.

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of 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 March 2021, the Organization received a low interest loan in the amount of \$58,358 under the Paycheck Protection Program (PPP) administered by the Small Business Administration (SBA). The PPP loan was unsecured, bore interest at 1%. Funds advanced under the program were subject to forgiveness if certain criteria were 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 include payroll, employee health insurance, rent, utilities and interest costs during the covered period (the 24-week period beginning on loan origination). In addition, employers must maintain specified employment and wage levels during the

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

pandemic and submit adequate documentation of such expenditures to qualify for loan forgiveness.

The Organization elected to treat this loan as a conditional contribution and recognized contributions of \$58,358 when forgiveness of the loan was received on December 15, 2021, which represents 100% of the loan proceeds. This revenue was recognized as grants and contributions revenue on the statements of activities.

Reclassifications

Certain prior year amounts have been reclassified herein to conform to the current method of presentation.

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 were available to be issued, which is August 28, 2023.

2. EMPLOYEE RETENTION CREDIT

The Coronavirus Aid, Relief, and Economic Security (CARES) Act included a provision for the Employee Retention Credit (ERC). The ERC is a fully refundable tax credit for employers on qualified wages (including allocable qualified health plan expenses) that eligible employers pay their employees. For amounts paid between March 13, 2020, and December 31, 2020, ERC is equal to 50 percent of qualified wages up to a maximum of \$10,000 of wages per employee for the year; equaling a maximum credit of \$5,000 per employee for 2020. For amounts paid between January 1, 2021, and September 30, 2021, ERC is equal to 70 percent of qualified wages up to a maximum of \$10,000 of wages per employee, per quarter; equaling a maximum of \$21,000 per employee for 2021. In accordance with Accounting Standards Codification 958-605, *Not-for-Profit Entities*, the Organization recognized \$71,855 of ERC as grant revenue for the year ended December 31, 2022.

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

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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, 2022 and 2021.

- *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 \$23,525 and \$27,024 at December 31, 2022 and 2021, respectively.

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

The progression of this endowment fund is as follows:

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 27,024	\$ 24,171
Investment return, net	(1,946)	4,340
Grant payments	(1,143)	(1,095)
Administrative fees	<u>(410)</u>	<u>(392)</u>
	<u>\$ 23,525</u>	<u>\$ 27,024</u>

4. PLEDGES RECEIVABLE, NET

An analysis of pledges receivable at December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
2020 Campaign due during the year ended December 31, 2021	\$ -0-	\$ 41,120
2021 Campaign due during the year ended December 31, 2022	88,589	213,273
2022 Campaign due during the year ended December 31, 2023	<u>175,530</u>	<u>-0-</u>
Totals	264,119	254,393
Less allowance for uncollectible pledges	<u>78,195</u>	<u>45,578</u>
	<u>\$ 185,924</u>	<u>\$ 208,815</u>

The campaign conducted during the fall of 2021 with pledges due in 2022 is referred to as the 2021 campaign, and the campaign conducted during the fall of 2022 with pledges due in 2023 is referred to as the 2022 campaign.

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

5. OFFICE FURNITURE AND EQUIPMENT

A summary of office furniture and equipment at December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Office furniture and equipment	\$ 26,838	\$ 28,457
Less accumulated depreciation	<u>26,835</u>	<u>27,442</u>
	<u>\$ 3</u>	<u>\$ 1,015</u>

6. ALLOCATIONS PAYABLE

Allocations payable as of December 31, 2022 and 2021 were \$249,638 and \$88,713, respectively, and are expected to be paid within one year. These amounts represent allocations approved by the Board and payable to member agencies to support their operations and programming.

7. DESIGNATIONS PAYABLE

Designations payable as of December 31, 2022 and 2021 were \$11,774 and \$11,612, 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, 2022 is expected to be paid in 2023 and 2024.

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

8. NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with donor restrictions at December 31, 2022 and 2021 are available to the following purposes:

	2022	2021
Restricted to future time period	\$ 273,163	\$ 382,301
Restricted for the following purposes:		
Rock 'n Ready	29,058	31,121
Day of Caring	15,984	14,899
Financial Stability	29,690	75,984
Community Impact and Capacity Building	96,100	-0-
COVID Relief	-0-	12,445
Resource Roundup	12,500	10,500
Other	6,827	-0-
	190,159	144,949
	\$ 463,322	\$ 527,250

Net assets released from restrictions consist of the following during the years ended December 31, 2022 and 2021:

	2022	2021
Released from time restrictions	\$ 382,301	\$ 423,758
Restricted from the following purposes:		
Rock 'n Ready	12,630	6,879
Day of Caring	2,639	115
Financial Stability	57,117	41,178
COVID Relief	12,445	163,380
Resource Roundup	3,000	500
Other	15,716	5,073
	15,716	5,073
	\$ 485,848	\$ 640,883

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

9. 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.

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:

	<u>2022</u>	<u>2021</u>
Cash	\$ 988,565	\$ 928,993
Certificates of deposit maturing within one year	78,133	35,389
Pledges receivable, net	185,924	208,815
Grant receivable	<u>16,112</u>	<u>14,242</u>
	1,268,734	1,187,439
Less restricted for specified purpose	<u>(190,159)</u>	<u>(144,949)</u>
Total financial assets available	<u>\$ 1,078,575</u>	<u>\$ 1,042,490</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, 2022 and 2021, the reserve balance included in the financial assets above is \$158,750.

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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, 2022.

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.

SUPPLEMENTARY INFORMATION

JACKSON COUNTY UNITED WAY, INC.

SCHEDULES OF ALLOCATIONS TO AGENCIES
YEARS ENDED DECEMBER 31, 2022 AND 2021

Agency	2022	2021		
	Impact Funding	Allocation	Program	Total
American Red Cross	\$ 27,000	\$ 13,169	\$ 20,000	\$ 33,169
Hoosier Trails Boy Scouts	5,000	3,879	-0-	3,879
Kentuckiana Girl Scouts	-0-	4,458	-0-	4,458
Mental Health America	2,800	2,346	5,400	7,746
Jackson County ARC	4,000	2,559	-0-	2,559
Salvation Army	6,750	6,219	-0-	6,219
Boys & Girls Club	54,066	25,585	42,000	67,585
Girls, Inc.	122,648	31,797	88,000	119,797
Meals on Wheels	1,500	1,500	-0-	1,500
Brownstown Senior Citizens	3,500	4,375	-0-	4,375
Medora Senior Citizens	2,000	2,125	-0-	2,125
Big Brothers Big Sisters	20,000	12,952	14,000	26,952
Crothersville Senior Citizens	3,500	4,375	-0-	4,375
Human Services	35,000	1,347	30,000	31,347
Turning Point	50,000	6,419	41,000	47,419
Read Jackson County	3,000	5,485	8,000	13,485
Seymour Senior Citizens	2,500	3,375	-0-	3,375
Child Care Network	34,286	3,785	28,000	31,785
Anchor House	60,000	6,191	23,600	29,791
Freetown Senior Citizens	2,000	1,625	-0-	1,625
	<u>\$ 439,550</u>	<u>\$ 143,566</u>	<u>\$ 300,000</u>	<u>\$ 443,566</u>

See report of independent auditors on pages 1 through 3.