

JACKSON COUNTY UNITED WAY, INC.

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2021 AND 2020

CPAs / ADVISORS



JACKSON COUNTY UNITED WAY, INC.

TABLE OF CONTENTS
DECEMBER 31, 2021 AND 2020

	Page
Report of Independent Auditors	1
 Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses.....	7
Statements of Cash Flows	9
Notes to Financial Statements	10
 Supplementary Information	
Schedules of Allocations to Agencies.....	20



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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, 2021 and 2020, 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, 2021 and 2020, 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.

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.

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.

Blue & Co., LLC

Seymour, Indiana

June 16, 2022

JACKSON COUNTY UNITED WAY, INC.

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
Cash	\$ 928,993	\$ 895,067
Certificates of deposit	88,855	88,438
Board designated investments	27,024	24,171
Pledges receivable, net	208,815	219,009
Grant receivable	14,242	14,492
Prepaid expenses	6,247	5,060
Office furniture and equipment, net	1,015	2,107
	<u>\$ 1,275,191</u>	<u>\$ 1,248,344</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 19,948	25,468
Allocations payable	88,713	-0-
Designations payable	11,612	9,760
Other liabilities	4,000	-0-
Total liabilities	124,273	35,228

Net assets

Without donor restrictions		
Board designated reserve	158,750	158,750
Undesignated	464,918	435,874
	<u>623,668</u>	<u>594,624</u>
With donor restrictions		
Restricted due to time restrictions	382,301	423,758
Restricted for specified purpose	144,949	194,734
	<u>527,250</u>	<u>618,492</u>
Total net assets	<u>1,150,918</u>	<u>1,213,116</u>
	<u>\$ 1,275,191</u>	<u>\$ 1,248,344</u>

See accompanying notes to financial statements.

JACKSON COUNTY UNITED WAY, INC.

STATEMENTS OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenues				
Gross campaign results	\$ 201,674	\$ 407,139	\$ 608,813	\$ 659,319
Less donor designations	(260)	(2,838)	(3,098)	(4,180)
Less provision for uncollectible accounts	1,579	(22,000)	(20,421)	(34,590)
Net campaign results	202,993	382,301	585,294	620,549
Grants and contributions	173,602	167,340	340,942	608,315
In-kind contributions	4,266	-0-	4,266	360
Investment return	4,615	-0-	4,615	2,641
Miscellaneous	8,593	-0-	8,593	8,532
Net assets released from restrictions	640,883	(640,883)	-0-	-0-
Total support and revenues	1,034,952	(91,242)	943,710	1,240,397
Expenses				
Program	813,114	-0-	813,114	1,000,700
Management and general	97,150	-0-	97,150	78,611
Fundraising	95,644	-0-	95,644	112,221
Total expenses	1,005,908	-0-	1,005,908	1,191,532
Change in net assets	29,044	(91,242)	(62,198)	48,865
Net assets, beginning of year	594,624	618,492	1,213,116	1,164,251
Net assets, end of year	<u>\$ 623,668</u>	<u>\$ 527,250</u>	<u>\$ 1,150,918</u>	<u>\$ 1,213,116</u>

See accompanying notes to financial statements.

JACKSON COUNTY UNITED WAY, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Gross campaign results	\$ 199,931	\$ 459,388	\$ 659,319
Less donor designations	(3,550)	(630)	(4,180)
Less provision for uncollectible accounts	410	(35,000)	(34,590)
Net campaign results	196,791	423,758	620,549
Grants and contributions	133,601	474,714	608,315
In-kind contributions	360	-0-	360
Investment return	2,641	-0-	2,641
Miscellaneous	8,532	-0-	8,532
Net assets released from restrictions	917,209	(917,209)	-0-
Total support and revenues	1,259,134	(18,737)	1,240,397
Expenses			
Program	1,000,700	-0-	1,000,700
Management and general	78,611	-0-	78,611
Fundraising	112,221	-0-	112,221
Total expenses	1,191,532	-0-	1,191,532
Change in net assets	67,602	(18,737)	48,865
Net assets, beginning of year	<u>527,022</u>	<u>637,229</u>	<u>1,164,251</u>
Net assets, end of year	<u>\$ 594,624</u>	<u>\$ 618,492</u>	<u>\$ 1,213,116</u>

See accompanying notes to financial statements.

JACKSON COUNTY UNITED WAY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021						2020
	Program		Total	Management	Fundraising	Total	Total
	Agency & Community Services	Covering Kids & Families	Program	and General			
Agency allocations	\$ 443,566	\$ -0-	\$ 443,566	\$ -0-	\$ -0-	\$ 443,566	\$ 497,223
Grants	163,380	5,000	168,380	-0-	-0-	168,380	259,079
Salaries	54,489	68,308	122,797	31,307	61,992	216,096	241,448
Payroll taxes	5,136	6,439	11,575	2,952	5,844	20,371	24,436
Professional services	-0-	-0-	-0-	48,414	-0-	48,414	36,316
Bank charges	-0-	-0-	-0-	783	-0-	783	1,173
Occupancy	4,677	4,344	9,021	4,009	3,675	16,705	22,394
In-kind expense	4,266	-0-	4,266	-0-	-0-	4,266	360
Insurance	2,573	1,286	3,859	903	1,286	6,048	5,465
Meetings, conferences and training	3,498	141	3,639	75	300	4,014	14,419
Association fees	11,416	-0-	11,416	3,702	15,119	30,237	7,969
Dues and subscriptions	5,849	171	6,020	88	274	6,382	2,774
Campaign supplies and printing	12	-0-	12	5	562	579	137
Employee benefits	4,275	4,848	9,123	1,601	2,279	13,003	15,732
Special events & marketing	7,003	289	7,292	141	212	7,645	36,564
Repairs and maintenance	592	522	1,114	589	1,780	3,483	12,306
Utilities	952	2,428	3,380	376	1,127	4,883	5,920
Supplies	2,124	870	2,994	765	1,022	4,781	2,964
Curriculum	3,681	-0-	3,681	-0-	-0-	3,681	-0-
Postage	47	23	70	23	23	116	2,740
Transportation	169	126	295	-0-	-0-	295	819
Miscellaneous	614	-0-	614	325	149	1,088	60
Depreciation	-0-	-0-	-0-	1,092	-0-	1,092	1,234
	<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>	<u>\$ 1,191,532</u>

See accompanying notes to financial statements.

JACKSON COUNTY UNITED WAY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program		Total Program	Management and General	Fundraising	Total
	Agency & Community Services	Covering Kids & Families				
Agency allocations	\$ 497,223	\$ -0-	\$ 497,223	\$ -0-	\$ -0-	\$ 497,223
Grants	259,079	-0-	259,079	-0-	-0-	259,079
Salaries	67,582	72,369	139,951	24,496	77,001	241,448
Payroll taxes	6,432	5,579	12,011	6,448	5,977	24,436
Professional services	-0-	-0-	-0-	36,316	-0-	36,316
Bank charges	439	-0-	439	734	-0-	1,173
Occupancy	6,887	3,443	10,330	3,232	8,832	22,394
In-kind expense	360	-0-	360	-0-	-0-	360
Insurance	1,226	613	1,839	3,013	613	5,465
Meetings, conferences and training	13,811	64	13,875	505	39	14,419
Association fees	3,187	-0-	3,187	798	3,984	7,969
Dues and subscriptions	1,512	141	1,653	457	664	2,774
Campaign supplies	-0-	-0-	-0-	-0-	137	137
Employee benefits	3,816	5,529	9,345	519	5,868	15,732
Special events & marketing	36,132	50	36,182	-0-	382	36,564
Repairs and maintenance	5,099	562	5,661	122	6,523	12,306
Telephone	1,462	3,024	4,486	331	1,103	5,920
Supplies	2,266	248	2,514	261	189	2,964
Postage	1,683	116	1,799	145	796	2,740
Transportation	236	470	706	-0-	113	819
Miscellaneous	60	-0-	60	-0-	-0-	60
Depreciation	-0-	-0-	-0-	1,234	-0-	1,234
	<u>\$ 908,492</u>	<u>\$ 92,208</u>	<u>\$ 1,000,700</u>	<u>\$ 78,611</u>	<u>\$ 112,221</u>	<u>\$ 1,191,532</u>

See accompanying notes to financial statements.

JACKSON COUNTY UNITED WAY, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Operating activities		
Change in net assets	\$ (62,198)	\$ 48,865
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,092	1,234
Provision for uncollectible accounts	20,421	34,590
Interest earned on certificates of deposit	(229)	(378)
Investment income earned on board designated investments	(3,948)	(1,836)
Changes in assets and liabilities:		
Pledges receivable	(10,227)	92,411
Grant receivable	250	16,972
Prepaid expenses	(1,187)	(2,660)
Accounts payable	(5,520)	3,514
Allocations payable	88,713	-0-
Designations payable	1,852	(8,218)
Agency liability	-0-	(1,416)
Other liabilities	4,000	-0-
Net cash flows from operating activities	<u>33,019</u>	<u>183,078</u>
Investing activities		
Purchase of certificates of deposit	(46,267)	(35,353)
Maturities of certificates of deposit	46,079	35,318
Distributions received from board designated investments	<u>1,095</u>	<u>1,080</u>
Net cash flows from investing activities	<u>907</u>	<u>1,045</u>
Net change in cash	33,926	184,123
Cash, beginning of year	<u>895,067</u>	<u>710,944</u>
Cash, end of year	<u><u>\$ 928,993</u></u>	<u><u>\$ 895,067</u></u>

See accompanying notes to financial statements.

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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 October 2022 to May 2026 and interest rates ranging from 0.35 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, 2021 AND 2020

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, 2021 AND 2020

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, 2021 and 2020, revenue recognized as in-kind contributions and contributed services totaled \$4,266 and \$360, 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, 2021 and 2020, 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

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

In March 2021, the Organization received a second low interest loan in the amount of \$58,358 under the PPP administered by the SBA under similar terms.

The Organization elected to treat these loans as conditional contributions and recognized contributions of \$58,358 and \$49,700 when forgiveness of the loans was received on December 8, 2020 and December 15, 2021, respectively, 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 June 16, 2022.

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 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, 2021 AND 2020

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, 2021 and 2020.

- *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 \$27,024 and \$24,171 at December 31, 2021 and 2020, 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 2021 or 2020.

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

The progression of this endowment fund is as follows:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 24,171	\$ 23,415
Investment return, net	4,340	2,218
Grant payments	(1,095)	(1,080)
Administrative fees	<u>(392)</u>	<u>(382)</u>
	<u>\$ 27,024</u>	<u>\$ 24,171</u>

3. PLEDGES RECEIVABLE, NET

An analysis of pledges receivable at December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
2019 Campaign due during the year ended December 31, 2020	\$ -0-	\$ 86,442
2020 Campaign due during the year ended December 31, 2021	41,120	209,611
2021 Campaign due during the year ended December 31, 2022	<u>213,273</u>	<u>-0-</u>
Totals	254,393	296,053
Less allowance for uncollectible pledges	<u>45,578</u>	<u>77,044</u>
	<u>\$ 208,815</u>	<u>\$ 219,009</u>

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

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

4. OFFICE FURNITURE AND EQUIPMENT

A summary of office furniture and equipment at December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Office furniture and equipment	\$ 28,457	\$ 28,457
Less accumulated depreciation	<u>27,442</u>	<u>26,350</u>
	<u>\$ 1,015</u>	<u>\$ 2,107</u>

5. ALLOCATIONS PAYABLE

Allocations payable as of December 31, 2021 and 2020 were \$88,713 and \$0, 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.

6. DESIGNATIONS PAYABLE

Designations payable as of December 31, 2021 and 2020 were \$11,612 and \$9,760, 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, 2021 is expected to be paid in 2022 and 2023.

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

Net assets with donor restrictions at December 31, 2021 and 2020 are available to the following purposes:

	<u>2021</u>	<u>2020</u>
Restricted to future time period	\$ 382,301	\$ 423,758
Restricted for the following purposes:		
Rock 'n Ready	31,121	20,914
Day of Caring	14,899	13,064
Financial Stability	67,997	98,787
Seeking Hope Community Prevention & Recovery	7,987	7,987
COVID Relief	12,445	49,982
Resource Roundup	<u>10,500</u>	<u>4,000</u>
	<u>144,949</u>	<u>194,734</u>
	<u>\$ 527,250</u>	<u>\$ 618,492</u>

Net assets released from restrictions consist of the following during the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Released from time restrictions	\$ 423,758	\$ 583,759
Restricted from the following purposes:		
Rock 'n Ready	6,879	23,002
Day of Caring	115	930
Financial Stability	41,178	42,839
COVID Relief	163,380	258,309
Resource Roundup	500	3,000
Other	<u>5,073</u>	<u>5,370</u>
	<u>\$ 640,883</u>	<u>\$ 917,209</u>

8. 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.

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

9. OPERATING LEASES

The Organization leases office space under a lease agreement through December 31, 2021. Monthly payments include rent and utilities and total \$16,705 and \$21,554 for the years ended December 31, 2021 and 2020, respectively.

10. RELATED PARTY TRANSACTIONS

The Organization received \$17,961 and \$22,164 in contributions from members of the Organization's board of directors and employees during the years ended December 31, 2021 and 2020, respectively.

11. 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>2021</u>	<u>2020</u>
Cash	\$ 928,993	\$ 895,067
Certificates of deposit maturing within one year	35,389	46,079
Pledges receivable, net	208,815	219,009
Grant receivable	<u>14,242</u>	<u>14,492</u>
	1,187,439	1,174,647
Less restricted for specified purpose	<u>(144,949)</u>	<u>(194,734)</u>
Total financial assets available	<u>\$ 1,042,490</u>	<u>\$ 979,913</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, 2021 and 2020, the reserve balance included in the financial assets above is \$158,750.

JACKSON COUNTY UNITED WAY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

12. 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, 2021.

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.

13. RECENTLY ISSUED ACCOUNTING STANDARDS

On September 17, 2020, the Financial Accounting Standards Board issued an Accounting Standards Update (ASU) No. 2020-07 *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributions Nonfinancial Assets*. This new standard is intended to increase transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not for-profits (NFP) organizations, including information on how those assets are used and how they are valued. This new standard requires that an NFP present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition, there are expanded disclosures requirements. The Organization will be required to adopt this new standard in the year ending December 31, 2022.

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 these ASUs 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, 2021 AND 2020

Agency	2021			2020		
	Allocation	Program	Total	Allocation	Program	Total
American Red Cross	\$ 13,169	\$ 20,000	\$ 33,169	\$ 21,071	\$ 30,400	\$ 51,471
Hoosier Trails Boy Scouts	3,879	-0-	3,879	6,207	5,440	11,647
Kentuckiana Girl Scouts	4,458	-0-	4,458	7,133	5,440	12,573
Mental Health America	2,346	5,400	7,746	3,754	4,400	8,154
Jackson County ARC	2,559	-0-	2,559	4,094	3,200	7,294
Salvation Army	6,219	-0-	6,219	1,775	3,200	4,975
Boys & Girls Club	25,585	42,000	67,585	40,936	31,500	72,436
Girls, Inc.	31,797	88,000	119,797	50,875	69,200	120,075
Meals on Wheels	1,500	-0-	1,500	1,200	-0-	1,200
Brownstown Senior Citizens	4,375	-0-	4,375	3,500	-0-	3,500
Medora Senior Citizens	2,125	-0-	2,125	1,700	-0-	1,700
Big Brothers Big Sisters	12,952	14,000	26,952	20,722	18,400	39,122
Crothersville Senior Citizens	4,375	-0-	4,375	3,500	-0-	3,500
Human Services	1,347	30,000	31,347	2,156	30,400	32,556
Turning Point	6,419	41,000	47,419	10,270	37,500	47,770
Read Jackson County	5,485	8,000	13,485	8,776	6,000	14,776
Seymour Senior Citizens	3,375	-0-	3,375	2,700	-0-	2,700
Child Care Network	3,785	28,000	31,785	6,056	24,000	30,056
Anchor House	6,191	23,600	29,791	9,905	20,513	30,418
Freetown Senior Citizens	1,625	-0-	1,625	1,300	-0-	1,300
	<u>\$ 143,566</u>	<u>\$ 300,000</u>	<u>\$ 443,566</u>	<u>\$ 207,630</u>	<u>\$ 289,593</u>	<u>\$ 497,223</u>