

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2021 AND 2020

CPAs / ADVISORS



UNITED WAY OF BARTHOLOMEW COUNTY, INC.

TABLE OF CONTENTS
DECEMBER 31, 2021 AND 2020

	Page
Report of Independent Auditors	1
 Consolidated Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses.....	7
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	10
 Supplementary Information	
Consolidated Schedule of Allocations to Agencies.....	21
Consolidating Statement of Financial Position (2021 only)	22
Consolidating Statement of Activities (2021 only)	23



Blue & Co., LLC / 813 West Second Street / Seymour, IN 47274
main 812.522.8416 website blueandco.com

REPORT OF INDEPENDENT AUDITORS

Board of Directors
United Way of Bartholomew County, Inc.
Columbus, Indiana

Opinion

We have audited the accompanying consolidated financial statements of United Way of Bartholomew County, Inc. (the "Organization"), a nonprofit organization, and affiliate, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization and its affiliate as of December 31, 2021 and 2020, and changes in their net assets and their 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements as a whole. The Consolidated Schedule of Allocations to Agencies is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The Consolidating Statement of Financial Position and the Consolidating Statement of Activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual organizations and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Blue & Co., LLC

Seymour, Indiana

August 29, 2022

UNITED WAY OF BARTHOLOMEW COUNTY, INC.CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
	<u>2021</u>	<u>2020</u>
Cash	\$ 2,472,498	\$ 2,330,364
Restricted cash	86,911	88,908
Accounts receivable	20,846	7,045
Pledges receivable, net	2,257,977	2,303,260
Grant receivable	29,447	179,682
Other assets	34,965	34,674
Assets held by Heritage Fund of Bartholomew County, Inc.	77,707	69,380
Property and equipment, net	<u>4,298,917</u>	<u>4,526,868</u>
	<u>\$ 9,279,268</u>	<u>\$ 9,540,181</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 18,812	\$ 85,193
Assets held for others	86,911	88,908
Designations payable	2,331,277	2,161,077
Debt	<u>870,848</u>	<u>922,112</u>
Total liabilities	3,307,848	3,257,290
Net assets		
Without donor restrictions		
Operating	3,401,757	3,527,811
Operating reserve	<u>330,962</u>	<u>329,929</u>
	3,732,719	3,857,740
With donor restrictions		
Restricted for specified purposes	418,917	705,440
Restricted due to time restrictions	1,812,784	1,712,711
Endowed fund	<u>7,000</u>	<u>7,000</u>
	<u>2,238,701</u>	<u>2,425,151</u>
Total net assets	<u>5,971,420</u>	<u>6,282,891</u>
	<u>\$ 9,279,268</u>	<u>\$ 9,540,181</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENT 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	Totals
Support and revenues				
Gross campaign results	\$ 628,668	\$ 3,959,186	\$ 4,587,854	\$ 4,133,356
Less donor designations	(113,783)	(1,871,402)	(1,985,185)	(1,919,587)
Less provision for uncollectible accounts	116,620	(275,000)	(158,380)	(175,800)
Net campaign results	631,505	1,812,784	2,444,289	2,037,969
Grant and contribution revenue	63,323	688,536	751,859	1,809,639
Interest income	1,620	-0-	1,620	3,323
Rent income	597,754	-0-	597,754	573,293
Loss on disposal of property and equipment	-0-	-0-	-0-	(184)
Miscellaneous	14,108	-0-	14,108	10,352
Net assets released from restrictions	2,687,770	(2,687,770)	-0-	-0-
Total support and revenues	3,996,080	(186,450)	3,809,630	4,434,392
Expenses				
Program services	3,571,244	-0-	3,571,244	4,016,496
Management and general	231,487	-0-	231,487	228,132
Fundraising	318,370	-0-	318,370	306,625
Total expenses	4,121,101	-0-	4,121,101	4,551,253
Change in net assets	(125,021)	(186,450)	(311,471)	(116,861)
Net assets, beginning of year	3,857,740	2,425,151	6,282,891	6,399,752
Net assets, end of year	\$ 3,732,719	\$ 2,238,701	\$ 5,971,420	\$ 6,282,891

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Gross campaign results	\$ 313,605	\$ 3,819,751	\$ 4,133,356
Less donor designations	(72,547)	(1,847,040)	(1,919,587)
Less provision for uncollectible accounts	84,200	(260,000)	(175,800)
Net campaign results	325,258	1,712,711	2,037,969
Grant and contribution revenue	210,847	1,598,792	1,809,639
Interest income	3,323	-0-	3,323
Rent income	573,293	-0-	573,293
Loss on disposal of property and equipment	(184)	-0-	(184)
Miscellaneous	10,352	-0-	10,352
Net assets released from restrictions	3,334,052	(3,334,052)	-0-
Total support and revenues	4,456,941	(22,549)	4,434,392
Expenses			
Program services	4,016,496	-0-	4,016,496
Management and general	228,132	-0-	228,132
Fundraising	306,625	-0-	306,625
Total expenses	4,551,253	-0-	4,551,253
Change in net assets	(94,312)	(22,549)	(116,861)
Net assets, beginning of year	3,952,052	2,447,700	6,399,752
Net assets, end of year	\$ 3,857,740	\$ 2,425,151	\$ 6,282,891

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

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

	2021					2020			
	Agency & Community Services	Program			Total	Management and General	Fundraising	Total	Total
		United Way Center	Volunteer Action Center	Covid Relief					
Agency allocations	\$ 1,397,984	\$ -0-	\$ -0-	\$ 500,016	\$ 1,898,000	\$ -0-	\$ -0-	\$ 1,898,000	\$ 1,974,890
Salaries	349,772	253,273	58,316	-0-	661,361	67,204	185,034	913,599	849,995
Payroll taxes and employee benefits	109,018	71,983	9,433	-0-	190,434	25,151	50,638	266,223	215,531
Agency development	4,000	-0-	-0-	-0-	4,000	-0-	-0-	4,000	16,072
Professional fees	30,376	5,298	6,959	-0-	42,633	52,013	40,634	135,280	135,097
Advertising	956	-0-	-0-	-0-	956	462	3,105	4,523	3,288
Supplies	9,564	23,506	1,428	-0-	34,498	3,628	8,567	46,693	42,587
Dues and subscriptions	13,725	911	371	-0-	15,007	51,915	14,617	81,539	104,428
Printing and postage	11	8	125	-0-	144	1,981	4,180	6,305	3,710
Telephone	838	-0-	432	-0-	1,270	4,301	-0-	5,571	4,874
Equipment rent	3,522	-0-	989	-0-	4,511	772	1,545	6,828	6,193
Utilities	-0-	141,245	-0-	-0-	141,245	-0-	-0-	141,245	127,620
Insurance	-0-	24,731	-0-	-0-	24,731	10,429	-0-	35,160	31,441
Conferences and meetings	5,872	-0-	-0-	-0-	5,872	2,372	3,390	11,634	5,606
Miscellaneous	1,740	575	-0-	-0-	2,315	659	5,183	8,157	10,832
Repairs and maintenance	-0-	35,588	-0-	-0-	35,588	-0-	-0-	35,588	37,711
Travel	470	524	-0-	-0-	994	600	1,477	3,071	2,920
Interest	-0-	41,709	-0-	-0-	41,709	-0-	-0-	41,709	44,077
Depreciation	-0-	231,288	-0-	-0-	231,288	10,000	-0-	241,288	257,356
Special projects	1,387	-0-	42	3,114	4,543	-0-	-0-	4,543	4,729
Special events	-0-	-0-	2,274	-0-	2,274	-0-	-0-	2,274	2,231
School supply expenses	33,789	-0-	-0-	-0-	33,789	-0-	-0-	33,789	44,578
Insurance premium assistance	10,729	-0-	-0-	-0-	10,729	-0-	-0-	10,729	24,099
Emergency relief grants	-0-	-0-	-0-	79,191	79,191	-0-	-0-	79,191	528,718
Partner/initiative investments	6,184	-0-	-0-	97,978	104,162	-0-	-0-	104,162	72,670
	<u>\$ 1,979,937</u>	<u>\$ 830,639</u>	<u>\$ 80,369</u>	<u>\$ 680,299</u>	<u>\$ 3,571,244</u>	<u>\$ 231,487</u>	<u>\$ 318,370</u>	<u>\$ 4,121,101</u>	<u>\$ 4,551,253</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	Program				Total	Management and General	Fundraising	Total
	Agency & Community Services	United Way Center	Volunteer Action Center	Covid Relief				
Agency allocations	\$ 1,894,890	\$ -0-	\$ -0-	\$ 80,000	\$ 1,974,890	\$ -0-	\$ -0-	\$ 1,974,890
Salaries	316,266	229,930	49,963	-0-	596,159	67,796	186,040	849,995
Payroll taxes and employee benefits	85,785	57,362	6,809	-0-	149,956	23,041	42,534	215,531
Agency development	16,072	-0-	-0-	-0-	16,072	-0-	-0-	16,072
Professional fees	38,587	8,196	8,953	-0-	55,736	53,819	25,542	135,097
Advertising	480	-0-	-0-	500	980	-0-	2,308	3,288
Supplies	5,488	19,060	2,780	-0-	27,328	5,125	10,134	42,587
Dues and subscriptions	29,614	662	150	-0-	30,426	46,298	27,704	104,428
Printing and postage	123	60	22	-0-	205	123	3,382	3,710
Telephone	1,836	-0-	432	-0-	2,268	2,606	-0-	4,874
Equipment rent	3,204	-0-	802	-0-	4,006	684	1,503	6,193
Utilities	-0-	127,620	-0-	-0-	127,620	-0-	-0-	127,620
Insurance	-0-	23,097	-0-	-0-	23,097	8,344	-0-	31,441
Conferences and meetings	2,991	88	255	62	3,396	1,512	698	5,606
Miscellaneous	1,254	540	-0-	2,182	3,976	128	6,728	10,832
Repairs and maintenance	-0-	37,711	-0-	-0-	37,711	-0-	-0-	37,711
Travel	1,441	391	208	-0-	2,040	828	52	2,920
Interest	-0-	44,077	-0-	-0-	44,077	-0-	-0-	44,077
Depreciation	-0-	239,563	-0-	-0-	239,563	17,793	-0-	257,356
Special projects	3,924	-0-	520	250	4,694	35	-0-	4,729
Special events	-0-	-0-	2,231	-0-	2,231	-0-	-0-	2,231
School supply expenses	44,578	-0-	-0-	-0-	44,578	-0-	-0-	44,578
Insurance premium assistance	24,099	-0-	-0-	-0-	24,099	-0-	-0-	24,099
Emergency relief grants	-0-	-0-	-0-	528,718	528,718	-0-	-0-	528,718
Partner/initiative investments	70,586	-0-	-0-	2,084	72,670	-0-	-0-	72,670
	<u>\$ 2,541,218</u>	<u>\$ 788,357</u>	<u>\$ 73,125</u>	<u>\$ 613,796</u>	<u>\$ 4,016,496</u>	<u>\$ 228,132</u>	<u>\$ 306,625</u>	<u>\$ 4,551,253</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

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

	2021	2020
Operating activities		
Change in net assets	\$ (311,471)	\$ (116,861)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	241,288	257,356
Loss on disposal of property and equipment	-0-	184
Non-cash contribution of property	-0-	(9,400)
Provision for uncollectible accounts	158,380	175,800
Unrealized gain on assets held by Heritage Fund of Bartholomew County, Inc.	(8,327)	(6,514)
Changes in assets and liabilities:		
Accounts receivable	(13,801)	(3,494)
Pledges receivable	(113,097)	(469,990)
Grant receivable	150,235	(161,829)
Other assets	(291)	(13,699)
Accounts payable and accrued expenses	(66,381)	62,720
Assets held for others	(1,997)	15,527
Designations payable	170,200	544,997
Net cash flows from operating activities	<u>204,738</u>	<u>274,797</u>
Investing activities		
Purchase of property and equipment	<u>(13,337)</u>	<u>(31,820)</u>
Net cash flows from investing activities	(13,337)	(31,820)
Financing activities		
Principal payments of debt	<u>(51,264)</u>	<u>(48,897)</u>
Net cash flows from financing activities	<u>(51,264)</u>	<u>(48,897)</u>
Net change in cash and restricted cash	140,137	194,080
Cash and restricted cash, beginning of year	<u>2,419,272</u>	<u>2,225,192</u>
Cash and restricted cash, end of year	<u>\$ 2,559,409</u>	<u>\$ 2,419,272</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 41,709	\$ 44,077

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

United Way of Bartholomew County, Inc. (the "United Way") was formed in 1967 to continually assess the needs of the people of Bartholomew 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 Bartholomew County and surrounding areas.

During 2002, a building was donated to the United Way. In 2010, United Way Center of Bartholomew County, Inc. (the "Center") was formed as a supporting organization. The purpose of the Center is to own, manage, and maintain these facilities for the benefit of the United Way and its member agencies. The Center leases office space to several United Way member agencies, as well as the United Way for its headquarters.

Consolidated Financial Statements

The United Way appoints the majority of the board of directors and provides administrative services for the Center. The United Way and the Center also are co-makers of the mortgage held on the Center. The Center's net assets, if the Center is ever dissolved, will also revert to the United Way. Based on these factors, these entities (collectively referred to as the "Organization") present consolidated financial statements with any inter-entity transactions and balances eliminated as part of the consolidated financial statements for the years ended December 31, 2021 and 2020.

Management's Estimates

Management uses estimates and assumptions in preparing consolidated 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.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

Cash and Restricted Cash

Restricted cash includes money held for the benefit of others and is also included as a liability on the Consolidated Statements of Financial Position.

The following table provides a reconciliation of cash and restricted cash reported within the Consolidated Statements of Financial Position that sum to the total of the same such amounts shown in the Consolidated Statements of Cash Flows:

	2021	2020
Cash	\$ 2,472,498	\$ 2,330,364
Restricted cash	<u>86,911</u>	<u>88,908</u>
Total cash and restricted cash	<u>\$ 2,559,409</u>	<u>\$ 2,419,272</u>

Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts. These receivables relate to rent payments to be received from the tenants of the Center. No allowance for doubtful accounts was determined to be required by management at December 31, 2021 and 2020.

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.

Assets Held by Heritage Fund of Bartholomew County, Inc.

The Organization has placed certain amounts in custodial funds with the Heritage Fund of Bartholomew County, Inc. ("Heritage Fund") and retains a beneficial interest in those assets. The Organization has granted variance power to the Heritage Fund to carry out the purpose of the funds. The investment with the Heritage Fund is measured at fair value in the Consolidated

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Statements of Financial Position.

Investment income or loss, including realized and unrealized gains and losses on investments, interest, and dividends, is included in miscellaneous revenue in the Consolidated Statements of Activities. The funds are invested in fixed income and equity mutual funds. At December 31, 2021 and 2020, these assets were \$77,707 and \$69,380, respectively.

Property and Equipment

Property 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.

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

Assets Held for Others

The Organization administers the Individual Development Account (IDA) Program as developed by the Indiana Housing and Community Development Authority (IHCDA). IDAs are matched savings accounts that enable low to moderate-income individuals to save money and build financial assets for specified purposes. These accounts total \$36,104 and \$26,574 at December 31, 2021 and 2020, respectively, and are reported as restricted cash and assets held for others in the Consolidated Statements of Financial Position.

The Organization also serves as fiscal agent of funds for certain organizations. These amounts are reported as restricted cash and assets held for others in the Consolidated Statements of Financial Position and were \$50,807 and \$62,334 at December 31, 2021 and 2020, respectively.

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.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Functional Allocation of Expenses

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

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

Income Taxes

The United Way and the Center are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal taxes on related income pursuant to Section 501(a) of the Code. However, the Organization is subject to income tax on any unrelated business taxable income.

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 consolidated 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 April 2020, the Organization received a low interest loan in the amount of \$187,363 under the Paycheck Protection Program (PPP) administered by the Small Business Administration. 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

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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 \$187,363 when forgiveness of the loan was received on December 21, 2020, which represents 100% of the loan proceeds. This revenue is recognized as grant and contribution revenue on the 2020 statement of activities.

Subsequent Events

The Organization has evaluated events or transactions occurring subsequent to the Consolidated Statement of Financial Position date for recognition and disclosure in the accompanying consolidated financial statements through the date the consolidated financial statements are available to be issued, which is August 29, 2022.

2. PLEDGES RECEIVABLE, NET

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

	<u>2021</u>	<u>2020</u>
2019 Campaign due during the year ended December 31, 2020	\$ -0-	\$ 400,899
2020 Campaign due during the year ended December 31, 2021	433,269	2,409,865
2021 Campaign due during the year ended December 31, 2022	<u>2,382,597</u>	<u>-0-</u>
Totals	2,815,866	2,810,764
Less allowance for uncollectible pledges	<u>557,889</u>	<u>507,504</u>
	<u>\$ 2,257,977</u>	<u>\$ 2,303,260</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 2022 is referred to as the 2021 campaign.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

3. ASSETS HELD BY HERITAGE FUND OF BARTHOLOMEW COUNTY, INC.

The Organization has assets held at the Heritage Fund as discussed in Note 1.

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 market 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.

- *Assets held by Heritage Fund of Bartholomew County, Inc.:* Valued at fair value as reported by Heritage Fund, which represents the Organization's pro-rata interest in the Heritage Fund's investment pool, substantially all of which are valued on a mark-to-market basis.

The fair value of these assets are measured on a recurring basis using significant unobservable inputs (Level 3) and included in the Consolidated Statements of Financial Position at \$77,707 and \$69,380 at December 31, 2021 and 2020, respectively.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

The following is a reconciliation of activity for 2021 and 2020 for assets measured at fair value based upon significant unobservable inputs (Level 3):

	2021	2020
Beginning balance	\$ 69,380	\$ 62,866
Investment return, net	8,974	7,042
Administrative fees	(647)	(528)
	<u>\$ 77,707</u>	<u>\$ 69,380</u>

4. PROPERTY AND EQUIPMENT

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

	2021	2020
Land	\$ 70,331	\$ 70,331
Building and building improvements	4,438,742	4,438,742
Leasehold improvements	1,926,477	1,926,189
Office furniture and equipment	390,275	377,226
	<u>6,825,825</u>	<u>6,812,488</u>
Less accumulated depreciation	<u>(2,526,908)</u>	<u>(2,285,620)</u>
	<u>\$ 4,298,917</u>	<u>\$ 4,526,868</u>

5. DESIGNATIONS PAYABLE

Designations payable as of December 31, 2021 and 2020 were \$2,331,277 and \$2,161,077, respectively. These amounts consist of donor designations payable to multiple not-for-profit agencies both within and outside of Bartholomew 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 or 2023.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

6. DEBT

Debt consists of the following at December 31, 2021 and 2020:

	2021	2020
	<u> </u>	<u> </u>
Mortgage payable with Main Source Bank; monthly payments of \$6,412 including interest at 4.59% through August 2027; balloon payment of \$620,599 due September 1, 2027; secured by real estate with a net book value of \$3,137,938 at December 31, 2021 and assignment of rents	\$ 857,663	\$ 893,775
Note payable with Centra Credit Union; monthly payments of \$1,336 including interest at 4.1% through October 2022; secured by equipment with a net book value of \$32,818 at December 31, 2021	<u>13,185</u>	<u>28,337</u>
	<u>\$ 870,848</u>	<u>\$ 922,112</u>

Maturities of debt subsequent to December 31, 2021, are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 51,704
2023	40,324
2024	42,214
2025	44,193
2026	46,265
Thereafter	<u>646,148</u>
	<u>\$ 870,848</u>

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

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

	2021	2020
	<u> </u>	<u> </u>
Time restrictions related to:		
Annual fund drive	\$ 1,812,784	\$ 1,712,711
Endowed fund	7,000	7,000
Designated purpose restriction related to:		
School supplies program	39,820	33,917
Community impact (UnitedIN20)	18,969	111,352
COVID relief	200,563	503,740
PremiumLink	138,420	53,530
Other	21,145	2,901
	<u>\$ 2,238,701</u>	<u>\$ 2,425,151</u>

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

	2021	2020
	<u> </u>	<u> </u>
Purpose restrictions related to:		
School supplies program	\$ 33,789	\$ 44,578
Community impact (UnitedIN20)	193,414	194,184
COVID Relief	690,804	613,798
PremiumLink	40,110	55,817
Other	16,942	65,493
Time restrictions related to:		
Annual fund drive	1,712,711	2,360,182
	<u>\$ 2,687,770</u>	<u>\$ 3,334,052</u>

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

8. RENT INCOME

The Organization leases office space to agencies that occupy the building. These lease terms vary depending on the size and nature of the leases. During the years ended December 31, 2021 and 2020, the Organization had rental income of \$597,754 and \$573,293, respectively. The Organization leases substantially all of the building to other organizations. A summary of building and building improvements at December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Gross value	\$ 4,891,743	\$ 4,890,677
Less accumulated depreciation	<u>(1,601,631)</u>	<u>(1,447,892)</u>
	<u>\$ 3,290,112</u>	<u>\$ 3,442,785</u>

The future lease payments to be received are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 419,555
2023	216,535
2024	<u>115,200</u>
	<u>\$ 751,290</u>

9. LIQUIDITY

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 12-month period. During that same 12-month period, additional contributions are received from donors.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

	2021	2020
Cash	\$ 2,472,498	\$ 2,330,364
Accounts receivable	20,846	7,045
Pledges receivable, net	2,257,977	2,303,260
Grant receivable	29,447	179,682
	4,780,768	4,820,351
Less restricted for specified purpose	(418,917)	(705,440)
Total financial assets available	<u>\$ 4,361,851</u>	<u>\$ 4,114,911</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 United Way has a reserve goal of \$350,000 to fund the Organization's funded programs. Funds may only be withdrawn from the reserve account by the authority of the full Board of Directors. The Center also maintains a reserve of at least \$50,000 for future expenditures. At December 31, 2021 and 2020, the aggregate reserve accounts included in the financial assets above are \$330,962 and \$329,929, respectively.

10. CONCENTRATIONS

The Organization is exposed to concentrations of credit risk for pledge amounts due to the vast majority of donors residing in Bartholomew County, Indiana. Although the Organization is directly affected by the well-being of the economy of Bartholomew County, management does not believe significant credit risk exists at December 31, 2021.

The Organization maintains its cash 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.

The Organization has one employer that accounted for approximately 83% and 84% of pledges receivable as of December 31, 2021 and 2020, respectively, and accounted for approximately 82% and 70% of total revenue during the years ended December 31, 2021 and 2020, respectively.

SUPPLEMENTARY INFORMATION

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED SCHEDULE OF ALLOCATIONS TO AGENCIES
YEARS ENDED DECEMBER 31, 2021 AND 2020

Agency	2021 Allocations	2020 Allocations
Aging and Community Services	\$ 12,000	\$ 13,000
Bartholomew Area Legal Aid	-0-	15,000
Children, Inc.	190,000	194,000
Columbus Regional Shelter for Victims of Domestic Violence (Turning Point)	242,500	258,000
Community Center of Hope	72,500	76,890
Court Appointed Special Advocates (CASA)	138,000	145,000
Family Services	178,000	180,000
Family School Partners	55,000	58,000
Foundation for Youth	335,000	359,000
Human Services, Inc.	247,000	264,000
Just Friends	21,000	24,000
LifeDesigns	2,000	32,000
Lincoln Central Neighborhood Center	121,000	55,000
Mill Race Center, Inc. (Formerly Retirement Foundation)	70,000	77,000
Sans Souci	152,000	158,000
Su Casa	62,000	66,000
	\$ 1,898,000	\$ 1,974,890

See report of independent auditors on pages 1 through 3.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

	United Way of Bartholomew County, Inc.	United Way Center of Bartholomew County, Inc.	Total	Eliminating Entries	Consolidated
Assets					
Cash	\$ 2,310,181	\$ 162,317	\$ 2,472,498	\$ -0-	\$ 2,472,498
Restricted cash	86,911	-0-	86,911	-0-	86,911
Accounts receivable	-0-	20,846	20,846	-0-	20,846
Pledges receivable, net	2,257,977	-0-	2,257,977	-0-	2,257,977
Due from related party	36,450	-0-	36,450	(36,450)	-0-
Grant receivable	29,447	-0-	29,447	-0-	29,447
Other assets	27,804	7,161	34,965	-0-	34,965
Assets held by Heritage Fund of Bartholomew County, Inc.	77,707	-0-	77,707	-0-	77,707
Property and equipment, net	<u>35,684</u>	<u>4,263,233</u>	<u>4,298,917</u>	<u>-0-</u>	<u>4,298,917</u>
Total assets	<u>\$ 4,862,161</u>	<u>\$ 4,453,557</u>	<u>\$ 9,315,718</u>	<u>\$ (36,450)</u>	<u>\$ 9,279,268</u>
Liabilities					
Accounts payable and accrued expenses	\$ 14,106	\$ 4,706	\$ 18,812	\$ -0-	\$ 18,812
Assets held for others	86,911	-0-	86,911	-0-	86,911
Due to related party	-0-	36,450	36,450	(36,450)	-0-
Designations payable	2,331,277	-0-	2,331,277	-0-	2,331,277
Debt	<u>-0-</u>	<u>870,848</u>	<u>870,848</u>	<u>-0-</u>	<u>870,848</u>
Total liabilities	2,432,294	912,004	3,344,298	(36,450)	3,307,848
Net assets					
Without donor restrictions					
Operating	(59,678)	3,461,435	3,401,757	-0-	3,401,757
Operating reserve	<u>250,844</u>	<u>80,118</u>	<u>330,962</u>	<u>-0-</u>	<u>330,962</u>
	191,166	3,541,553	3,732,719	-0-	3,732,719
With donor restrictions					
Restricted for specified purposes	418,917	-0-	418,917	-0-	418,917
Restricted due to time restrictions	1,812,784	-0-	1,812,784	-0-	1,812,784
Endowment fund	<u>7,000</u>	<u>-0-</u>	<u>7,000</u>	<u>-0-</u>	<u>7,000</u>
	<u>2,238,701</u>	<u>-0-</u>	<u>2,238,701</u>	<u>-0-</u>	<u>2,238,701</u>
Total net assets	<u>2,429,867</u>	<u>3,541,553</u>	<u>5,971,420</u>	<u>-0-</u>	<u>5,971,420</u>
	<u>\$ 4,862,161</u>	<u>\$ 4,453,557</u>	<u>\$ 9,315,718</u>	<u>\$ (36,450)</u>	<u>\$ 9,279,268</u>

See report of independent auditors on pages 1 through 3.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions			With Donor Restrictions	
	United Way of Bartholomew County, Inc.	United Way Center of Bartholomew County, Inc.	Eliminating Entries	Total	United Way of Bartholomew County, Inc.
Support and revenues					
Gross campaign results	\$ 628,668	\$ -0-	\$ -0-	\$ 628,668	\$ 3,959,186
Less donor designations	(113,783)	-0-	-0-	(113,783)	(1,871,402)
Less provision for uncollectible accounts	116,620	-0-	-0-	116,620	(275,000)
Net campaign revenue	631,505	-0-	-0-	631,505	1,812,784
Grant and contribution revenue	63,323	0	-0-	63,323	688,536
Interest income	1,541	79	-0-	1,620	-0-
Rent income	-0-	646,118	(48,364)	597,754	-0-
Miscellaneous	8,327	5,781	-0-	14,108	-0-
Net assets released from restrictions	2,687,770	-0-	-0-	2,687,770	(2,687,770)
Total support and revenues	3,392,466	651,978	(48,364)	3,996,080	(186,450)
Expenses					
Program services	2,750,704	830,639	(10,099)	3,571,244	-0-
Management and general	269,752	-0-	(38,265)	231,487	-0-
Fundraising	318,370	-0-	-0-	318,370	-0-
Total expenses	3,338,826	830,639	(48,364)	4,121,101	-0-
Change in net assets	53,640	(178,661)	-0-	(125,021)	(186,450)
Net assets, beginning of year	137,526	3,720,214	-0-	3,857,740	2,425,151
Net assets, end of year	\$ 191,166	\$ 3,541,553	\$ -0-	\$ 3,732,719	\$ 2,238,701

See report of independent auditors on pages 1 through 3.