

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2020 AND 2019

CPAs / ADVISORS



UNITED WAY OF BARTHOLOMEW COUNTY, INC.

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DECEMBER 31, 2020 AND 2019

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REPORT OF INDEPENDENT AUDITORS

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the United Way of Bartholomew County, Inc. (the "Organization") which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, 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.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

Report on Supplementary and Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on page 21 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating information on pages 22 and 23 is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual organizations and is 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 audits 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

September 28, 2021

UNITED WAY OF BARTHOLOMEW COUNTY, INC.CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
	<u>2020</u>	<u>2019</u>
Cash	\$ 2,330,364	\$ 2,151,811
Restricted cash	88,908	73,381
Accounts receivable	7,045	3,551
Pledges receivable, net	2,303,260	2,009,070
Grant receivable	179,682	17,853
Other assets	34,674	20,975
Assets held by Heritage Fund of Bartholomew County, Inc.	69,380	62,866
Property and equipment, net	<u>4,526,868</u>	<u>4,743,188</u>
	<u>\$ 9,540,181</u>	<u>\$ 9,082,695</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 85,193	\$ 22,473
Assets held for others	88,908	73,381
Designations payable	2,161,077	1,616,080
Debt	<u>922,112</u>	<u>971,009</u>
Total liabilities	3,257,290	2,682,943
Net assets		
Without donor restrictions		
Operating	3,527,811	3,658,829
Operating reserve	<u>329,929</u>	<u>293,223</u>
	3,857,740	3,952,052
With donor restrictions		
Restricted for specified purposes	705,440	80,518
Restricted due to time restrictions	1,712,711	2,360,182
Endowed fund	<u>7,000</u>	<u>7,000</u>
	<u>2,425,151</u>	<u>2,447,700</u>
Total net assets	<u>6,282,891</u>	<u>6,399,752</u>
	<u>\$ 9,540,181</u>	<u>\$ 9,082,695</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Totals
Support and revenues				
Gross campaign results	\$ 313,605	\$ 3,819,751	\$ 4,133,356	\$ 4,263,176
Less donor designations	(72,547)	(1,847,040)	(1,919,587)	(1,326,140)
Less provision for uncollectible accounts	84,200	(260,000)	(175,800)	(153,057)
Net campaign results	325,258	1,712,711	2,037,969	2,783,979
Grant and contribution revenue	210,847	1,598,792	1,809,639	481,279
Interest income	3,323	-0-	3,323	7,019
Rent income	573,293	-0-	573,293	579,128
Loss on disposal of property and equipment	(184)	-0-	(184)	(3,359)
Miscellaneous	10,352	-0-	10,352	11,072
Net assets released from restrictions	3,334,052	(3,334,052)	-0-	-0-
Total support and revenues	4,456,941	(22,549)	4,434,392	3,859,118
Expenses				
Program services	4,016,496	-0-	4,016,496	3,607,506
Management and general	228,132	-0-	228,132	167,928
Fundraising	306,625	-0-	306,625	272,797
Total expenses	4,551,253	-0-	4,551,253	4,048,231
Change in net assets	(94,312)	(22,549)	(116,861)	(189,113)
Net assets, beginning of year	3,952,052	2,447,700	6,399,752	6,588,865
Net assets, end of year	\$ 3,857,740	\$ 2,425,151	\$ 6,282,891	\$ 6,399,752

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Gross campaign results	\$ 472,237	\$ 3,790,939	\$ 4,263,176
Less donor designations	(105,383)	(1,220,757)	(1,326,140)
Less provision for uncollectible accounts	56,943	(210,000)	(153,057)
Net campaign results	423,797	2,360,182	2,783,979
Grant and contribution revenue	415,689	65,590	481,279
Interest income	7,019	-0-	7,019
Rent income	579,128	-0-	579,128
Loss on disposal of property and equipment	(3,359)	-0-	(3,359)
Miscellaneous	11,072	-0-	11,072
Net assets released from restrictions	2,422,096	(2,422,096)	-0-
Total support and revenues	3,855,442	3,676	3,859,118
Expenses			
Program services	3,607,506	-0-	3,607,506
Management and general	167,928	-0-	167,928
Fundraising	272,797	-0-	272,797
Total expenses	4,048,231	-0-	4,048,231
Change in net assets	(192,789)	3,676	(189,113)
Net assets, beginning of year	4,144,841	2,444,024	6,588,865
Net assets, end of year	\$ 3,952,052	\$ 2,447,700	\$ 6,399,752

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

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

	2020					2019			
	Agency & Community Services	United Way Center	Program Volunteer Action Center	Covid Relief	Total	Management and General	Fundraising	Total	Total
Agency allocations	\$ 1,894,890	\$ -0-	\$ -0-	\$ 80,000	\$ 1,974,890	\$ -0-	\$ -0-	\$ 1,974,890	\$ 1,949,988
Salaries	316,266	229,930	49,963	-0-	596,159	67,796	186,040	849,995	860,097
Payroll taxes, payroll administrative fees and employee benefits	85,785	57,362	6,809	-0-	149,956	23,041	42,534	215,531	207,710
Agency development	16,072	-0-	-0-	-0-	16,072	-0-	-0-	16,072	16,300
Professional fees	38,587	8,196	8,953	-0-	55,736	53,819	25,542	135,097	135,481
Advertising	480	-0-	-0-	500	980	-0-	2,308	3,288	2,048
Supplies	5,488	19,060	2,780	-0-	27,328	5,125	10,134	42,587	49,220
Dues and subscriptions	29,614	662	150	-0-	30,426	46,298	27,704	104,428	59,414
Printing and postage	123	60	22	-0-	205	123	3,382	3,710	5,288
Telephone	1,836	-0-	432	-0-	2,268	2,606	-0-	4,874	5,026
Equipment rent	3,204	-0-	802	-0-	4,006	684	1,503	6,193	8,198
Utilities	-0-	127,620	-0-	-0-	127,620	-0-	-0-	127,620	155,194
Insurance	-0-	23,097	-0-	-0-	23,097	8,344	-0-	31,441	30,362
Conferences and meetings	2,991	88	255	62	3,396	1,512	698	5,606	20,035
Miscellaneous	1,254	540	-0-	2,182	3,976	128	6,728	10,832	9,574
Repairs and maintenance	-0-	37,711	-0-	-0-	37,711	-0-	-0-	37,711	64,973
Travel	1,441	391	208	-0-	2,040	828	52	2,920	7,385
Interest	-0-	44,077	-0-	-0-	44,077	-0-	-0-	44,077	46,098
Depreciation	-0-	239,563	-0-	-0-	239,563	17,793	-0-	257,356	234,793
Special projects	3,924	-0-	520	250	4,694	35	-0-	4,729	7,623
Special events	-0-	-0-	2,231	-0-	2,231	-0-	-0-	2,231	15,403
School supply expenses	44,578	-0-	-0-	-0-	44,578	-0-	-0-	44,578	25,686
Insurance premium assistance	24,099	-0-	-0-	-0-	24,099	-0-	-0-	24,099	57,733
Emergency relief grants	-0-	-0-	-0-	528,718	528,718	-0-	-0-	528,718	-0-
Partner/initiative investments	70,586	-0-	-0-	2,084	72,670	-0-	-0-	72,670	74,602
	<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>	<u>\$ 4,048,231</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	Program					Management and General	Fundraising	Total
	Agency & Community Services	United Way Center	Volunteer Action Center	211 South Central Indiana	Total			
Agency allocations	\$ 1,949,988	\$ -0-	\$ -0-	\$ -0-	\$ 1,949,988	\$ -0-	\$ -0-	\$ 1,949,988
Salaries	314,260	201,457	40,301	82,177	638,195	52,477	169,425	860,097
Payroll taxes, payroll administrative fees and employee benefits	83,341	50,550	5,332	15,228	154,451	16,879	36,380	207,710
Agency development	16,300	-0-	-0-	-0-	16,300	-0-	-0-	16,300
Professional fees	47,765	8,293	2,787	2,529	61,374	40,203	33,904	135,481
Advertising	-0-	-0-	-0-	-0-	-0-	-0-	2,048	2,048
Supplies	9,332	29,851	3,038	1,678	43,899	2,974	2,347	49,220
Dues and subscriptions	15,388	334	1,090	1,191	18,003	26,748	14,663	59,414
Printing and postage	1,867	-0-	55	48	1,970	345	2,973	5,288
Telephone	3,060	-0-	432	720	4,212	814	-0-	5,026
Equipment rent	2,042	-0-	4,427	8	6,477	298	1,423	8,198
Utilities	-0-	155,194	-0-	-0-	155,194	-0-	-0-	155,194
Insurance	114	23,035	272	-0-	23,421	6,941	-0-	30,362
Conferences and meetings	7,657	28	645	298	8,628	8,634	2,773	20,035
Miscellaneous	2,622	540	-0-	111	3,273	300	6,001	9,574
Repairs and maintenance	-0-	64,973	-0-	-0-	64,973	-0-	-0-	64,973
Travel	339	1,144	527	740	2,750	3,775	860	7,385
Interest	-0-	46,098	-0-	-0-	46,098	-0-	-0-	46,098
Depreciation	-0-	229,293	-0-	-0-	229,293	5,500	-0-	234,793
Special projects	4,624	-0-	959	-0-	5,583	2,040	-0-	7,623
Special events	-0-	-0-	15,403	-0-	15,403	-0-	-0-	15,403
School supply expenses	25,686	-0-	-0-	-0-	25,686	-0-	-0-	25,686
Insurance premium assistance	57,733	-0-	-0-	-0-	57,733	-0-	-0-	57,733
Partner/initiative investments	74,602	-0-	-0-	-0-	74,602	-0-	-0-	74,602
	<u>\$ 2,616,720</u>	<u>\$ 810,790</u>	<u>\$ 75,268</u>	<u>\$ 104,728</u>	<u>\$ 3,607,506</u>	<u>\$ 167,928</u>	<u>\$ 272,797</u>	<u>\$ 4,048,231</u>

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

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

	2020	2019
	<u> </u>	<u> </u>
Operating activities		
Change in net assets	\$ (116,861)	\$ (189,113)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	257,356	234,793
Loss on disposal of property and equipment	184	3,359
Non-cash contribution of property	(9,400)	-0-
Provision for uncollectible accounts	175,800	153,057
Unrealized gain on assets held by Heritage Fund of Bartholomew County, Inc.	(6,514)	(10,224)
Changes in assets and liabilities:		
Accounts receivable	(3,494)	(92)
Pledges receivable	(469,990)	(112,142)
Grant receivable	(161,829)	278,495
Other assets	(13,699)	(8,257)
Accounts payable and accrued expenses	62,720	1,173
Assets held for others	15,527	(10,776)
Designations payable	544,997	(123,211)
Deferred revenue	-0-	(199,418)
Net cash flows from operating activities	<u>274,797</u>	<u>17,644</u>
Investing activities		
Purchase of property and equipment	(31,820)	(71,205)
Net cash flows from investing activities	<u>(31,820)</u>	<u>(71,205)</u>
Financing activities		
Principal payments of debt	(48,897)	(46,875)
Net cash flows from financing activities	<u>(48,897)</u>	<u>(46,875)</u>
Net change in cash and restricted cash	194,080	(100,436)
Cash and restricted cash, beginning of year	<u>2,225,192</u>	<u>2,325,628</u>
Cash and restricted cash, end of year	<u>\$ 2,419,272</u>	<u>\$ 2,225,192</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 44,077	\$ 46,098

See accompanying notes to consolidated financial statements.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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, 2020 and 2019.

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, 2020 AND 2019

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:

	<u>2020</u>	<u>2019</u>
Cash	\$ 2,330,364	\$ 2,151,811
Restricted cash	<u>88,908</u>	<u>73,381</u>
Total cash and restricted cash	<u>\$ 2,419,272</u>	<u>\$ 2,225,192</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, 2020 and 2019.

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, 2020 AND 2019

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, 2020 and 2019, these assets were \$69,380 and \$62,866, 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 \$26,574 and \$25,198 at December 31, 2020 and 2019, 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 \$62,334 and \$48,183 at December 31, 2020 and 2019, 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, 2020 AND 2019

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, 2020 and 2019, 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, 2020 AND 2019

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.

Going Concern Evaluation

Management evaluates whether there are conditions or events that raise substantial doubt about the Organization's ability to continue as a going concern for a period of one year from the date the consolidated financial statements are available to be issued.

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 September 28, 2021.

2. PLEDGES RECEIVABLE, NET

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

	2020	2019
2018 Campaign due during the year ended December 31, 2019	\$ -0-	\$ 346,747
2019 Campaign due during the year ended December 31, 2020	400,899	2,083,256
2020 Campaign due during the year ended December 31, 2021	<u>2,409,865</u>	<u>-0-</u>
Totals	2,810,764	2,430,003
Less allowance for uncollectible pledges	<u>507,504</u>	<u>420,933</u>
	<u>\$ 2,303,260</u>	<u>\$ 2,009,070</u>

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

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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, 2020 and 2019.

- *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 \$69,380 and \$62,866 at December 31, 2020 and 2019, respectively.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

The following is a reconciliation of activity for 2020 and 2019 for assets measured at fair value based upon significant unobservable inputs (Level 3):

	2020	2019
Beginning balance	\$ 62,866	\$ 52,642
Investment return, net	7,042	10,836
Administrative fees	(528)	(612)
	<u>\$ 69,380</u>	<u>\$ 62,866</u>

4. PROPERTY AND EQUIPMENT

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

	2020	2019
Land	\$ 70,331	\$ 60,931
Building and building improvements	4,438,742	4,438,742
Leasehold improvements	1,926,189	1,907,497
Office furniture and equipment	377,226	365,195
	<u>6,812,488</u>	<u>6,772,365</u>
Less accumulated depreciation	<u>(2,285,620)</u>	<u>(2,029,177)</u>
	<u>\$ 4,526,868</u>	<u>\$ 4,743,188</u>

5. DESIGNATIONS PAYABLE

Designations payable as of December 31, 2020 and 2019 were \$2,161,077 and \$1,616,080, 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, 2020 is expected to be paid in 2020 or 2021.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

6. DEBT

Debt consists of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</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 \$3,253,681 at December 31, 2020 and assignment of rents	\$ 893,775	\$ 928,131
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 \$44,400 at December 31, 2020	<u>28,337</u>	<u>42,878</u>
	<u>\$ 922,112</u>	<u>\$ 971,009</u>

Maturities of debt subsequent to December 31, 2020, are as follows:

<u>Year Ending December 31,</u>	
2021	\$ 51,949
2022	51,700
2023	40,324
2024	42,214
2025	44,193
Thereafter	<u>691,732</u>
	<u>\$ 922,112</u>

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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

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

	<u>2020</u>	<u>2019</u>
Time restrictions related to:		
Annual fund drive	\$ 1,712,711	\$ 2,360,182
Endowed fund	7,000	7,000
Designated purpose restriction related to:		
School supplies program	33,917	42,124
Community impact (UnitedIN20)	111,352	-0-
COVID relief	503,740	-0-
PremiumLink	53,530	-0-
Avenues to Opportunity	2,901	38,394
	<u>\$ 2,425,151</u>	<u>\$ 2,447,700</u>

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

	<u>2020</u>	<u>2019</u>
Purpose restrictions related to:		
School supplies program	\$ 44,578	\$ 25,686
Avenues to Opportunity	65,493	-0-
Community impact (UnitedIN20)	194,184	-0-
COVID Relief	613,798	-0-
Time restrictions related to:		
Annual fund drive	2,415,999	2,396,410
	<u>\$ 3,334,052</u>	<u>\$ 2,422,096</u>

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, the Organization had rental income of \$573,293 and \$579,128, respectively. The Organization leases substantially all of the building to other organizations. A summary of building and building improvements at December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Gross value	\$ 4,890,677	\$ 4,882,077
Less accumulated depreciation	<u>(1,447,892)</u>	<u>(1,293,583)</u>
	<u>\$ 3,442,785</u>	<u>\$ 3,588,494</u>

The future lease payments to be received are as follows:

<u>Year Ending December 31,</u>	
2021	\$ 207,235
2022	98,230
2022	15,540
2023	<u>2,200</u>
	<u>\$ 323,205</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, 2020 AND 2019

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

	<u>2020</u>	<u>2019</u>
Cash	\$ 2,330,364	\$ 2,151,811
Accounts receivable	7,045	3,551
Pledges receivable, net	2,303,260	2,009,070
Grant receivable	<u>179,682</u>	<u>17,853</u>
	4,820,351	4,182,285
Less restricted for specified purpose	<u>(705,440)</u>	<u>(80,518)</u>
Total financial assets available	<u>\$ 4,114,911</u>	<u>\$ 4,101,767</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, 2020 and 2019, the aggregate reserve accounts included in the financial assets above are \$329,929 and \$293,223, 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, 2020.

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 84% and 67% of pledges receivable as of December 31, 2020 and 2019, respectively, and accounted for approximately 70% and 77% of total revenue during the years ended December 31, 2020 and 2019, respectively.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

11. CONTINGENCY

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

SUPPLEMENTARY INFORMATION

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

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

Agency	2020 Allocations	2019 Allocations
Aging and Community Services	\$ 13,000	\$ 19,730
Bartholomew Area Legal Aid	15,000	50,000
Children, Inc.	194,000	195,000
Columbus Regional Shelter for Victims of Domestic Violence (Turning Point)	258,000	250,000
Community Center of Hope	76,890	89,258
Court Appointed Special Advocates (CASA)	145,000	158,000
Developmental Services, Inc.	-0-	30,000
Family Services	180,000	160,000
Family School Partners	58,000	62,000
Foundation for Youth	359,000	390,000
Girl Scouts - United States of America (Tulip Trace Council)	-0-	3,000
Human Services, Inc.	264,000	189,000
Just Friends	24,000	27,000
LifeDesigns	32,000	20,000
Lincoln Central Neighborhood Center	55,000	50,000
Mill Race Center, Inc. (Formerly Retirement Foundation)	77,000	87,000
Sans Souci	158,000	90,000
State Street Association	-0-	5,000
Su Casa	66,000	75,000
	\$ 1,974,890	\$ 1,949,988

See report of independent auditors on pages 1 and 2.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020**

	United Way of Bartholomew County, Inc.	United Way Center of Bartholomew County, Inc.	Total	Eliminating Entries	Consolidated
Assets					
Cash	\$ 2,159,368	\$ 170,996	\$ 2,330,364	\$ -0-	\$ 2,330,364
Restricted cash	88,908	-0-	88,908	-0-	88,908
Accounts receivable	-0-	7,045	7,045	-0-	7,045
Pledges receivable, net	2,303,260	-0-	2,303,260	-0-	2,303,260
Due from related party	33,926	-0-	33,926	(33,926)	-0-
Grant receivable	179,682	-0-	179,682	-0-	179,682
Other assets	18,679	15,995	34,674	-0-	34,674
Assets held by Heritage Fund of Bartholomew County, Inc.	69,380	-0-	69,380	-0-	69,380
Property and equipment, net	<u>40,176</u>	<u>4,486,692</u>	<u>4,526,868</u>	<u>-0-</u>	<u>4,526,868</u>
Total assets	<u>\$ 4,893,379</u>	<u>\$ 4,680,728</u>	<u>\$ 9,574,107</u>	<u>\$ (33,926)</u>	<u>\$ 9,540,181</u>
Liabilities					
Accounts payable and accrued expenses	\$ 80,717	\$ 4,476	\$ 85,193	\$ -0-	\$ 85,193
Assets held for others	88,908	-0-	88,908	-0-	88,908
Due to related party	-0-	33,926	33,926	(33,926)	-0-
Designations payable	2,161,077	-0-	2,161,077	-0-	2,161,077
Debt	<u>-0-</u>	<u>922,112</u>	<u>922,112</u>	<u>-0-</u>	<u>922,112</u>
Total liabilities	2,330,702	960,514	3,291,216	(33,926)	3,257,290
Net assets					
Without donor restrictions					
Operating	(112,352)	3,640,163	3,527,811	-0-	3,527,811
Operating reserve	<u>249,878</u>	<u>80,051</u>	<u>329,929</u>	<u>-0-</u>	<u>329,929</u>
	137,526	3,720,214	3,857,740	-0-	3,857,740
With donor restrictions					
Restricted for specified purposes	705,440	-0-	705,440	-0-	705,440
Restricted due to time restrictions	1,712,711	-0-	1,712,711	-0-	1,712,711
Endowment fund	<u>7,000</u>	<u>-0-</u>	<u>7,000</u>	<u>-0-</u>	<u>7,000</u>
	<u>2,425,151</u>	<u>-0-</u>	<u>2,425,151</u>	<u>-0-</u>	<u>2,425,151</u>
Total net assets	<u>2,562,677</u>	<u>3,720,214</u>	<u>6,282,891</u>	<u>-0-</u>	<u>6,282,891</u>
	<u>\$ 4,893,379</u>	<u>\$ 4,680,728</u>	<u>\$ 9,574,107</u>	<u>\$ (33,926)</u>	<u>\$ 9,540,181</u>

See report of independent auditors on pages 1 and 2.

UNITED WAY OF BARTHOLOMEW COUNTY, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions			With Donor	
	United Way of Bartholomew County, Inc.	United Way Center of Bartholomew County, Inc.	Eliminating Entries	Restrictions United Way of Bartholomew County, Inc.	
			Total		
Support and revenues					
Gross campaign results	\$ 313,605	\$ -0-	\$ -0-	\$ 313,605	\$ 3,819,751
Less donor designations	(72,547)	-0-	-0-	(72,547)	(1,847,040)
Less provision for uncollectible accounts	84,200	-0-	-0-	84,200	(260,000)
Net campaign revenue	325,258	-0-	-0-	325,258	1,712,711
Grant and contribution revenue	153,916	56,931	-0-	210,847	1,598,792
Interest income	3,234	89	-0-	3,323	-0-
Rent income	-0-	618,353	(45,060)	573,293	-0-
Loss on disposal of property and equipment	(184)	-0-	-0-	(184)	-0-
Miscellaneous	6,514	3,838	-0-	10,352	-0-
Net assets released from restrictions	3,334,052	-0-	-0-	3,334,052	(3,334,052)
Total support and revenues	3,822,790	679,211	(45,060)	4,456,941	(22,549)
Expenses					
Program services	3,254,067	788,357	(25,928)	4,016,496	-0-
Management and general	247,264	-0-	(19,132)	228,132	-0-
Fundraising	306,625	-0-	-0-	306,625	-0-
Total expenses	3,807,956	788,357	(45,060)	4,551,253	-0-
Change in net assets	14,834	(109,146)	-0-	(94,312)	(22,549)
Net assets, beginning of year	122,692	3,829,360	-0-	3,952,052	2,447,700
Net assets, end of year	\$ 137,526	\$ 3,720,214	\$ -0-	\$ 3,857,740	\$ 2,425,151

See report of independent auditors on pages 1 and 2.