

United Way of Cass County, Inc.
Logansport, Indiana
Financial Statements
December 31, 2019 and 2018
(See Independent Auditor's Report)

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Logansport, Indiana
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Cass County, Inc.
Logansport, Indiana

We have audited the accompanying financial statements of United Way of Cass County, Inc. (a nonprofit organization), which comprise the Statements of Financial Position as of December 31, 2019 and 2018, and the related Statements of Activities and Changes in Net Assets, Functional Expenses and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Cass County, Inc. as of December 31, 2019 and 2018, 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.



Teipen, Selanders, Poynter & Ayres, P.C.
Certified Public Accountants

July 29, 2020

United Way of Cass County, Inc.
Logansport, Indiana
Statements of Financial Position
As of December 31, 2019 and 2018
(See Independent Auditor's Report)

	2019	2018
Assets		
Cash and Cash Equivalents - Notes 1 and 9	\$ 440,791	\$ 366,140
Short-Term Investments - Notes 1, 3 and 9	214,894	211,896
Pledges Receivable - 2019 Campaign, Due Within One Year		
Net of Allowance for Uncollectible Pledges of \$31,091 - Note 1	294,368	-
Pledges Receivable - 2018 Campaign, Currently Due, Net of		
Allowance for Uncollectible Pledges of \$13,488 and \$55,848 - Note 1	47,488	290,912
Pledges Receivable - 2017 Campaign, Currently Due, Net of		
Allowance for Uncollectible Pledges of \$0 and \$18,110 - Note 1	-	51,277
Grant and Other Receivables	70,459	366
Prepaid Expense	10,274	9,630
Property and Equipment - Net of Accumulated		
Depreciation of \$11,268 and \$9,406 - Notes 1 and 2	<u>4,507</u>	<u>6,368</u>
Total Assets	\$ <u>1,082,780</u>	\$ <u>936,589</u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable	\$ 11,872	\$ 11,078
Accrued Payroll Expense	-	1,202
Designations Payable - 2019 Campaign	31,304	-
Designations Payable - 2018 Campaign	1,553	74,932
Designations Payable - 2017 Campaign	<u>-</u>	<u>1,790</u>
Total Liabilities	<u>44,729</u>	<u>89,002</u>
Net Assets - Notes 1 and 4		
Without Donor Restrictions	326,186	225,659
With Donor Restrictions	<u>711,865</u>	<u>621,928</u>
Total Net Assets	<u>1,038,051</u>	<u>847,587</u>
Total Liabilities and Net Assets	\$ <u>1,082,780</u>	\$ <u>936,589</u>

United Way of Cass County, Inc.
Logansport, Indiana
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2019
(See Independent Auditor's Report)

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue - Note 1			
Gross Campaign Results	\$ 43,646	\$ 459,845	\$ 503,491
Donor Designations	10,256	(31,593)	(21,337)
Provision for Uncollectible Pledges	37,047	(31,091)	5,956
Net Campaign Results	<u>90,949</u>	<u>397,161</u>	<u>488,110</u>
Designations from Other United Ways	11,389	12,442	23,831
Service Fees	(509)	289	(220)
Sponsorship	3,095	-	3,095
Reading Railroad Contributions	-	75,973	75,973
Backpack Program Contributions	-	69,627	69,627
Other Contributions	5,856	6,925	12,781
UnitedIN18 Grant	-	70,459	70,459
In-Kind Contributions	5,061	22	5,083
Miscellaneous	1,831	-	1,831
Investment Return - Note 3	4,200	82	4,282
Net Assets Released from Restriction	<u>543,043</u>	<u>(543,043)</u>	<u>-</u>
Total Support and Revenue	<u>664,915</u>	<u>89,937</u>	<u>754,852</u>
Program and Support Services			
Program Services			
Gross Funds Distributed	237,385	-	237,385
Other Program Services	<u>220,072</u>	<u>-</u>	<u>220,072</u>
Total Program Services	<u>457,457</u>	<u>-</u>	<u>457,457</u>
Support Services			
Management and General	35,485	-	35,485
Fundraising	64,775	-	64,775
Unallocated Payment to Affiliated Organization - UWA Dues	<u>6,671</u>	<u>-</u>	<u>6,671</u>
Total Support Services	<u>106,931</u>	<u>-</u>	<u>106,931</u>
Total Expenses	<u>564,388</u>	<u>-</u>	<u>564,388</u>
Change in Net Assets	100,527	89,937	190,463
Net Assets - Beginning of Year	<u>225,659</u>	<u>621,928</u>	<u>847,587</u>
Net Assets - End of Year	<u>\$ 326,186</u>	<u>\$ 711,865</u>	<u>\$ 1,038,051</u>

United Way of Cass County, Inc.
Logansport, Indiana
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2018
(See Independent Auditor's Report)

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue - Note 1			
Gross Campaign Results	\$ 83,462	\$ 540,936	\$ 624,398
Donor Designations	(74,138)	(75,733)	(149,871)
Provision for Uncollectible Pledges	23,294	(55,848)	(32,554)
Net Campaign Results	<u>32,618</u>	<u>409,355</u>	<u>441,973</u>
Designations from Other United Ways	15,090	-	15,090
Service Fees	26	774	800
Sponsorship	3,480	-	3,480
Reading Railroad Contributions	-	56,136	56,136
Backpack Program Contributions	-	72,367	72,367
Other Contributions	4,632	650	5,282
In-Kind Contributions	4,540	-	4,540
Miscellaneous	102	-	102
Investment Return - Note 3	2,329	44	2,373
Net Assets Released from Restriction	<u>553,702</u>	<u>(553,702)</u>	<u>-</u>
Total Support and Revenue	<u>616,519</u>	<u>(14,376)</u>	<u>602,143</u>
Program and Support Services			
Program Services			
Gross Funds Distributed	181,972	-	181,972
Other Program Services	<u>268,098</u>	<u>-</u>	<u>268,098</u>
Total Program Services	<u>450,070</u>	<u>-</u>	<u>450,070</u>
Support Services			
Management and General	37,876	-	37,876
Fundraising	67,735	-	67,735
Unallocated Payment to Affiliated Organization - UWA Dues	<u>6,776</u>	<u>-</u>	<u>6,776</u>
Total Support Services	<u>112,387</u>	<u>-</u>	<u>112,387</u>
Total Expenses	<u>562,457</u>	<u>-</u>	<u>562,457</u>
Change in Net Assets	54,062	(14,376)	39,686
Net Assets - Beginning of Year	<u>171,597</u>	<u>636,304</u>	<u>807,901</u>
Net Assets - End of Year	<u>\$ 225,659</u>	<u>\$ 621,928</u>	<u>\$ 847,587</u>

United Way of Cass County, Inc.
Logansport, Indiana
Statement of Functional Expenses
For the Year Ended December 31, 2019
(See Independent Auditor's Report)

	Community	Reading Railroad	Subtotal	Management and General	Fund- Raising	Total
Gross Distributions - Note 7 \$	268,276	-	268,276	-	-	268,276
Donor Designations - Note 1	(30,891)	-	(30,891)	-	-	(30,891)
Net Distributions	<u>237,385</u>	<u>-</u>	<u>237,385</u>	<u>-</u>	<u>-</u>	<u>237,385</u>
Salaries and Wages	54,346	15,696	70,042	4,770	36,136	110,948
Payroll Taxes and Benefits	6,566	1,201	7,767	574	4,365	12,706
Total Personnel	<u>60,912</u>	<u>16,897</u>	<u>77,809</u>	<u>5,344</u>	<u>40,501</u>	<u>123,654</u>
Processing and Accounting Services	-	-	-	21,108	-	21,108
Professional Fees	-	2,100	2,100	7,150	-	9,250
Campaign	-	-	-	-	9,288	9,288
Marketing and Advertising	5,146	12	5,158	83	629	5,870
Printing and Publication	624	-	624	55	866	1,545
Postage	734	55	789	64	489	1,342
Office Supplies	1,094	397	1,491	96	729	2,316
Occupancy - Note 5	5,559	-	5,559	488	3,706	9,753
Telephone and Utilities	502	-	502	44	334	880
Repairs and Maintenance	2,547	416	2,963	223	1,698	4,884
Insurance	2,815	-	2,815	247	1,877	4,939
Conferences, Training and Meetings	637	-	637	56	525	1,218
Travel	1,214	118	1,332	107	810	2,249
Equipment Purchases	127	-	127	11	85	223
Special Events	2,050	-	2,050	-	-	2,050
Kindergarten Readiness	-	30,539	30,539	-	-	30,539
School/Business/Partners	-	871	871	-	-	871
Imagination Library	-	23,513	23,513	-	-	23,513
Book Distribution	-	1,176	1,176	-	-	1,176
Program Materials	37,448	2,444	39,892	-	-	39,892
UnitedIN18 Grant	9,897	-	9,897	-	-	9,897
Special Projects	-	1,815	1,815	-	-	1,815
Gift in Kind	758	22	780	-	-	780
Pins for Kids	-	3,351	3,351	-	-	3,351
State and Local Dues	2,323	-	2,323	204	1,549	4,076
Depreciation - Note 1	1,061	-	1,061	93	707	1,861
Miscellaneous	898	-	898	112	982	1,992
Subtotal	<u>136,346</u>	<u>83,726</u>	<u>220,072</u>	<u>35,485</u>	<u>64,775</u>	<u>320,332</u>
UWA - Dues	-	-	-	6,671	-	6,671
Totals	<u>\$ 373,731</u>	<u>\$ 83,726</u>	<u>\$ 457,457</u>	<u>\$ 42,156</u>	<u>\$ 64,775</u>	<u>\$ 564,388</u>

United Way of Cass County, Inc.
Logansport, Indiana
Statement of Functional Expenses
For the Year Ended December 31, 2018
(See Independent Auditor's Report)

	Community	Reading Railroad	Subtotal	Management and General	Fund- Raising	Total
Gross Distributions - Note 7	\$ 270,917	\$ -	\$ 270,917	\$ -	\$ -	\$ 270,917
Donor Designations - Note 1	(88,945)	-	(88,945)	-	-	(88,945)
Net Distributions	<u>181,972</u>	<u>-</u>	<u>181,972</u>	<u>-</u>	<u>-</u>	<u>181,972</u>
Salaries and Wages	81,968	-	81,968	3,735	38,778	124,481
Payroll Taxes and Benefits	10,531	-	10,531	522	5,420	16,473
Total Personnel	<u>92,499</u>	<u>-</u>	<u>92,499</u>	<u>4,257</u>	<u>44,198</u>	<u>140,954</u>
Processing and Accounting Services	-	-	-	21,600	-	21,600
Professional Fees	17,300	2,100	19,400	6,150	-	25,550
Campaign	-	-	-	-	8,365	8,365
Marketing and Advertising	259	11	270	4,554	149	4,973
Printing and Publications	31	-	31	2	916	949
Postage	1,340	100	1,440	74	771	2,285
Office Supplies	663	395	1,058	37	382	1,477
Occupancy - Note 5	8,483	-	8,483	470	4,885	13,838
Telephone and Utilities	588	-	588	33	339	960
Repairs and Maintenance	2,818	-	2,818	156	1,623	4,597
Insurance	3,088	-	3,088	171	1,778	5,037
Conferences, Training and Meetings	129	175	304	7	249	560
Travel	782	22	804	43	450	1,297
Equipment Purchases	186	-	186	10	107	303
Special Events	1,528	-	1,528	-	-	1,528
Kindergarten Readiness	-	19,488	19,488	-	-	19,488
School/Business/Partners	-	940	940	-	-	940
Imagination Library	-	23,340	23,340	-	-	23,340
Book Distribution	-	261	261	-	-	261
Program Materials	58,919	2,099	61,018	-	-	61,018
UnitedIN16 Grant	21,468	-	21,468	-	-	21,468
211	3,400	-	3,400	-	-	3,400
Special Projects	-	751	751	-	-	751
State and Local Dues	2,530	-	2,530	140	1,457	4,127
Depreciation - Note 1	1,079	-	1,079	60	621	1,760
Relocation	398	-	398	22	229	649
Miscellaneous	928	-	928	90	1,216	2,234
Subtotal	<u>218,416</u>	<u>49,682</u>	<u>268,098</u>	<u>37,876</u>	<u>67,735</u>	<u>373,709</u>
UWA - Dues	-	-	-	6,776	-	6,776
Totals	<u>\$ 400,388</u>	<u>\$ 49,682</u>	<u>\$ 450,070</u>	<u>\$ 44,652</u>	<u>\$ 67,735</u>	<u>\$ 562,457</u>

United Way of Cass County, Inc.
Logansport, Indiana
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018
(See Independent Auditor's Report)

	2019	2018
Cash Flows from Operating Activities		
Change in Net Assets	\$ 190,463	\$ 39,686
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation Expense	1,861	1,760
Interest Added to Short-Term Investments - Certificates of Deposit	(2,998)	(1,504)
(Increase) Decrease in Pledges Receivable - Net	333	16,347
(Increase) Decrease in Grant and Other Receivables	(70,093)	7,385
(Increase) Decrease in Prepaid Expense	(642)	(2,272)
Increase (Decrease) in Accounts Payable	794	(12,718)
Increase (Decrease) in Accrued Payroll	(1,202)	(1,913)
Increase (Decrease) in Designations Payable - Net	<u>(43,865)</u>	<u>(410)</u>
Net Cash Provided by Operating Activities	<u>74,652</u>	<u>46,362</u>
Cash Flows From Investing Activities		
Purchase of Short-Term Investments - Certificates of Deposit	-	(59,800)
Purchase of Property and Equipment	<u>-</u>	<u>(1,014)</u>
Net Cash Used in Investing Activities	<u>-</u>	<u>(60,814)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	74,652	(14,452)
Cash and Cash Equivalents - Beginning of Year	<u>366,140</u>	<u>380,592</u>
Cash and Cash Equivalents - End of Year	<u>\$ 440,791</u>	<u>\$ 366,140</u>

United Way of Cass County, Inc.
Logansport, Indiana
Notes to Financial Statements
December 31, 2019 and 2018
(See Independent Auditor's Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES - United Way of Cass County, Inc. (the Organization), was formed in 1937 as a voluntary not-for-profit organization benefiting the Cass County, Indiana community. The mission of the Organization is to increase the organized capacity of the citizens of Cass County to care for one another and promote education of human care services and needs. The Organization is governed by a volunteer board of directors and solicits donations from the public in Cass County and grants monies to various not-for-profit agencies.

BASIS OF PRESENTATION - The Organization records income and expense using the accrual method of accounting and accordingly reflects all significant receivables, payables and other liabilities. Financial statement presentation follows Financial Accounting Standards Board (FASB) ASC 958-225-45-5, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-225-45-5, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions - Unrestricted net assets include expendable resources over which the Organization's Board of Directors has discretionary control and are used to carry out the Organization's operations in accordance with its by-laws.

Net Assets with Donor Restrictions - Net assets subject to donor (or certain grantor-imposed restrictions). Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

CASH AND CASH EQUIVALENTS - For the purposes of the Statements of Cash Flows, the Organization considers all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

COST DEDUCTION - The Organization is committed to compliance with United Way of America's cost deduction requirements for recovering actual costs associated with processing and transferring designated funds.

FUNCTIONAL ALLOCATION OF EXPENSES - The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs for personnel and other overhead costs have been allocated among the programs and supporting services based upon the distribution of staff time.

DONOR DESIGNATIONS - Distributions funded by contributions that the donor specified for a designated beneficiary (generally referred to as "first-dollar allocations") are deducted from gross distributions.

ADVERTISING - Advertising costs are expensed as incurred.

(Continued)

United Way of Cass County, Inc.
Logansport, Indiana
Notes to Financial Statements
December 31, 2019 and 2018
(See Independent Auditor's Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY AND EQUIPMENT - Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Maintenance and repairs are expensed as they are incurred. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

	3 - 10 Years	
Leasehold Improvements		
Office Equipment	5 - 7 Years	
	2019	2018
Depreciation Expense	\$ <u>1,861</u>	\$ <u>1,760</u>

SUPPORT, REVENUE AND PLEDGES - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Pledges for contributions are recorded as a receivable when the pledge is received, and allowances are provided for pledges estimated to be uncollectible. Amounts received that are restricted for future periods or donor restricted for specific purposes are reported as net assets with donor restrictions

When a donor stipulated time restriction ends or a purpose restriction is accomplished, then the net assets with donor restrictions are reclassified to net assets without donor restrictions and are replaced in the Statements of Activities as net assets released from restriction.

The majority of pledges are received from a broad base of Cass County contributors as a result of the annual United Way Campaign.

The allowance for uncollectible pledges is maintained at a level which, in management's judgment, is adequate to absorb potential bad debts inherent with pledges receivable. The amount of the allowance is based on management's evaluation of the collectability of the pledge's receivable, trends in historical bad debt experience and economic conditions, applied to gross campaign, including donor designations. The allowance is increased by a provision for uncollectible pledges, which is charged to expense and reduced by charge-offs, net of recoveries. Because of uncertainties inherent in the estimation process, management's estimate of bad debts and the related allowance may change in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

SHORT-TERM INVESTMENTS - Short-term investments, which consist of certificates of deposit, are recorded at fair value.

The Organization's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to the changes in the values of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amount reported in the Statements of Financial Position and the Statements of Activities.

United Way of Cass County, Inc.
Logansport, Indiana
Notes to Financial Statements
December 31, 2019 and 2018
(See Independent Auditor's Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CONTRIBUTED SERVICES - During the years ended December 31, 2019 and 2018, a substantial number of volunteers have contributed significant amounts of their time to the Organization and its fund raising campaigns. These services do not meet the requirements for recognition in the financial statements in accordance with FASB ASC 958-605-50-1, *Accounting for Contributions Received and Contributions Made* and are not included in the financial statements.

IN-KIND CONTRIBUTIONS - During the years ended December 31, 2019 and 2018, the Organization has recorded the value of contributions meeting the requirements for recognition in the financial statements totaling \$5,083 and \$4,540, respectively. In-kind contributions are as follows:

	2019	2018
Other	\$ 881	\$ -
Advertising	<u>4,202</u>	<u>4,540</u>
Total In-Kind Contributions	<u>\$ 5,083</u>	<u>\$ 4,540</u>

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COMPENSATED ABSENCES - Employees of the Organization are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

INCOME TAXES - The Organization is a not-for-profit, charitable organization as defined by Internal Revenue Code Section 501(c)(3) and is not subject to federal or Indiana income taxes.

RECLASSIFICATIONS - Certain account combinations from the prior year financial statements have been reclassified in the financial statements and notes to the financial statements to conform to the current year format.

United Way of Cass County, Inc.
Logansport, Indiana
Notes to Financial Statements
December 31, 2019 and 2018
(See Independent Auditor's Report)

NOTE 2 - PROPERTY AND EQUIPMENT

The Organization's property and equipment consists of the following:

	2019	2018
Office Equipment	\$ 15,775	\$ 15,775
Less: Accumulated Depreciation	<u>(11,268)</u>	<u>(9,406)</u>
Total Property and Equipment - Net	<u>\$ 4,507</u>	<u>\$ 6,368</u>

NOTE 3 - SHORT-TERM INVESTMENTS

The Organization's short-term investments at December 31, 2019 and 2018 are as follows:

	2019 Fair Value	2018 Fair Value
Certificates of Deposit	<u>\$ 214,894</u>	<u>\$ 211,896</u>

Investment return is summarized below:

	2019	2018
Interest Income from Certificates of Deposit	<u>\$ 4,282</u>	<u>\$ 2,373</u>

NOTE 4 - NET ASSETS WITH AND WITHOUT DONOR RESTRICTIONS

The Board has designated net assets without donor restrictions at December 31, 2019 and 2018 for the following purposes:

	2019	2018
Board Designated Restricted		
Community Impact	\$ 15,449	\$ 15,449
Building and Office Equipment	1,488	1,488
Agency Allocation Reserve	111,111	111,111
Operating Reserve	<u>166,562</u>	<u>166,562</u>
Total Board Designated	294,610	294,610
Without Donor Restriction	<u>31,576</u>	<u>(68,951)</u>
Total Net Assets Without Donor Restrictions	<u>\$ 326,186</u>	<u>\$ 225,659</u>

(Continued)

United Way of Cass County, Inc.
Logansport, Indiana
Notes to Financial Statements
December 31, 2019 and 2018
(See Independent Auditor's Report)

NOTE 4 - NET ASSETS WITH AND WITHOUT DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions at December 31, 2019 and 2018 are available for the following purposes:

	2019	2018
Time Restriction	\$ 409,891	\$ 410,129
Reading Railroad	137,482	137,986
Backpack Program	103,930	71,752
CCRN	-	2,062
United IN18 Grant	<u>60,562</u>	<u>-</u>
Total Net Assets With Donor Restrictions	<u>\$ 711,865</u>	<u>\$ 621,928</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2019	2018
Time Restriction	\$ 410,129	\$ 408,919
Reading Railroad	83,507	49,346
Backpack Program	37,448	61,017
CCRN	2,062	2,800
United IN18 Grant	9,897	-
United IN16 Grant	<u>-</u>	<u>31,618</u>
Total Restrictions Released	<u>\$ 543,043</u>	<u>\$ 553,700</u>

NOTE 5 - OPERATING LEASE

As of December 31, 2019, the Organization leases office space in Logansport, Indiana under an operating lease which originally was scheduled to expire December 31, 2023 and required monthly payments of \$800. In December 2019, the lease has been negotiated to expire in March, 2020. Rent expense for the years ended December 31, 2019 and 2018 was \$9,753 and \$13,838, respectively.

NOTE 6 - PENSION PLAN

The Organization contributes to a Simplified Employee Pension (SEP) for the benefit of its employees. All contributions are immediately vested. To be eligible, employees must be 21 years of age and must complete one year of service. The Organization contributes five percent of the eligible employee wages to the plan. The Organization's expense for the years ended December 31, 2019 and 2018 was \$3,025 and \$2,853, respectively.

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NOTE 7 - DESCRIPTION OF MAJOR PROGRAM SERVICES

The Organization supports other not-for-profit member agencies in Cass County, Indiana serving three impact areas; Education (Helping Children and Youth Succeed), Income (Promoting Independence and Economic Self-Sufficiency) and Health (Strengthening and Supporting Families) through distributions.

Reading Railroad - This program is to be a catalyst for increasing parent and community awareness of the importance of reading with young children and to provide programs and activities to address early literacy and reading success.

UnitedIN18 Grant - The Organization was awarded a \$70,459 UnitedIN18 Grant in 2019 from the Indiana Association of United Ways. The UnitedIN18 grant is to be used in conjunction with community work in education, income and health.

NOTE 8 - RELATED PARTIES

The Organization provides financial support to affiliated organizations. It is possible throughout the year for an individual or individuals to serve on the Board of Directors of United Way of Cass County, Inc. and to serve on the Board of Directors of an affiliated organization which receives financial support from United Way of Cass County, Inc.

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS CASH AND SHORT-TERM INVESTMENT BALANCES

At December 31, 2019 and 2018, the cash and cash equivalent balance on the Statements of Financial Position included temporarily restricted net assets totaling \$286,040 and \$329,957, respectively.

NOTE 10 - CONCENTRATION OF CREDIT RISKS

The Organization maintains several cash and certificates of deposit accounts at five financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC). At times, during the years ended December 31, 2019 and 2018, the balances in these accounts may have exceeded the maximum insurable amount of \$250,000. At December 31, 2019 and 2018, the Organization had \$47,136 and \$0 accounts in excess of the \$250,000, respectively. The Organization has not experienced any losses.

United Way of Cass County, Inc.
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NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a particular date. Generally accepted accounting principles establishes a fair value hierarchy which requires an organization to maximize observable inputs when measuring fair value. Three levels of inputs may be used to measure fair value as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Significant other observable inputs, other than quoted market prices included in Level 1 prices, for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an Organization's assumptions about assumptions that market participants would use in pricing an asset or liability.

The Organization values certificates of deposit and money market funds at fair value based upon similar investments with the same terms (Level 2).

Assets measured at fair value on a recurring basis are summarized below by the three levels of hierarchy:

	2019		
	Level 1	Level 2	Level 3
Certificates of Deposit	\$ <u> -</u>	\$ <u> 214,894</u>	\$ <u> -</u>
	2018		
	Level 1	Level 2	Level 3
Certificates of Deposit	\$ <u> -</u>	\$ <u> 211,896</u>	\$ <u> -</u>

NOTE 12 - ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

The Organization has adopted guidelines in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. A tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For the tax positions not meeting the more likely than not test, no tax benefit is recorded. The adoption had no effect on the Organization's financial statements. The Organization is generally no longer subject to examination by taxing authorities for years before December 31, 2016 and does not expect the total amount of unrecognized tax benefits to significantly change in the next year. The Organization would recognize interest and penalties related to income tax matters in miscellaneous expense. The Organization did not have any amounts accrued for interest and penalties as of December 31, 2019 and 2018.

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NOTE 13 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is without donor or other restrictions, limiting their use, within one year of the Statement of Financial Position date, comprise the following:

Cash and Cash Equivalents	\$ 440,791
Pledge Receivable - Net	341,856
Operating Investments	214,894
Grants and Other Receivables	<u>70,459</u>
	<u>\$ 1,068,000</u>

The Organization uses cash and cash equivalents and the collection of receivables as well as ongoing revenue earnings to fund its operations.

NOTE 14 - SUBSEQUENT EVENTS

Management of the Organization has evaluated subsequent events through the report date of July 29, 2020.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As of the date of this filing, we cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact our financial position, results of operations and cash flows in fiscal 2020.

On June 1, 2020, the Organization was awarded a \$225,000 Economic Relief Initiative (ERI) grant from the Indiana United Ways, Inc. The purpose of the grant is to assist the short-term and long-term needs of local communities suffering the physical, social and economic effects of the coronavirus pandemic.