

**United Way of Putnam County, Inc.  
Financial Statements  
June 30, 2020 and 2019**

United Way of Putnam County, Inc.  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
United Way of Putnam County, Inc.

We have audited the accompanying financial statements of United Way of Putnam County, Inc (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, 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

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 audit. 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 Putnam County, Inc as of June 30, 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.

*Pershing & Company, Inc.*  
Greencastle, IN

November 25, 2020

United Way of Putnam County, Inc.  
 Statements of Financial Position  
 June 30, 2020 and 2019

Assets

Current Assets:	2020	2019
Cash and Cash Equivalents	\$ 230,876	\$ 70,833
Investments	0	0
Pledge Receivable	3,966	5,419
Less Allowance for Uncollectible	(2,013)	(2,013)
Prepaid Expenses	186	67
<b>Total Current Assets</b>	<b>233,015</b>	<b>74,306</b>
Other Assets:		
Deposit	300	300
Equipment Net of Depreciation	384	640
United Way Endowment	477,100	496,092
<b>Total Other Assets</b>	<b>477,784</b>	<b>497,032</b>
<b>Total Assets</b>	<b>\$ 710,799</b>	<b>\$ 571,338</b>

Liabilities and Net Assets

Allocation Payable	\$ 0	\$ 27,000
Operating Payable	1,292	954
PPP-SBA Advance	7,700	0
<b>Total Current Liabilities</b>	<b>8,992</b>	<b>27,954</b>
Net Assets		
With Donor Restrictions	191,859	8,471
Without Donor Restrictions	509,948	\$ 534,913
<b>Total Net Assets</b>	<b>701,807</b>	<b>543,384</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 710,799</b>	<b>\$ 571,338</b>

See accompanying notes to the financial statements.

United Way of Putnam County, Inc.  
 Statements of Activities and Changes in Net Assets  
 For the Years Ended June 30, 2020 and 2019

Revenue:	Without Donor Restrictions	With Donor Restrictions	2020 TOTAL	Without Donor Restrictions	With Donor Restrictions	2019 TOTAL
Net Campaign Revenue	\$ 58,589	\$ 0	\$ 58,589	\$ 57,412	\$ 0	\$ 57,412
Grant and Bequest	5,230	278,454	283,684	0	17,360	17,360
Investments Interest/Income	10,484	0	10,484	13,429	0	10,484
In Kind Gifts	3,409	0	3,409	713	0	3,409
<b>Total Revenue</b>	<b>77,712</b>	<b>278,454</b>	<b>356,166</b>	<b>71,554</b>	<b>17,360</b>	<b>88,914</b>
<b>Expenses:</b>						
<b>Program Services</b>						
Gross Agency Fund Allocation	0	0	0	27,000	0	27,000
Other Programs	3,700	95,066	98,766	8,889	8,889	8,889
<b>Total Program Expenses</b>	<b>3,700</b>	<b>95,066</b>	<b>98,766</b>	<b>27,000</b>	<b>8,889</b>	<b>35,889</b>
<b>Other Expenses</b>						
Administration (Supporting Services)	35,263	0	35,263	27,978	0	27,978
Fundraising	32,960	0	32,960	18,940	0	18,940
United Way of America Dues	750	0	750	1,500	0	1,500
Indiana United Way Dues	250	0	250	314	0	314
<b>Total Other Expenses</b>	<b>69,223</b>	<b>0</b>	<b>69,223</b>	<b>48,732</b>	<b>0</b>	<b>48,732</b>
<b>Total Expenses</b>	<b>72,923</b>	<b>95,066</b>	<b>167,989</b>	<b>75,732</b>	<b>8,889</b>	<b>84,621</b>
<b>Net Difference before Other (Decrease)</b>	<b>4,789</b>	<b>183,388</b>	<b>188,177</b>	<b>(4,178)</b>	<b>8,471</b>	<b>4,293</b>
<b>Other Increase (Decrease)</b>						
Endowment Gain (Loss) Realized and Unrealized	(29,754)	0	(29,754)	(5,943)	0	(5,943)
<b>Total Other Increase (Decrease)</b>	<b>(29,754)</b>	<b>0</b>	<b>(29,754)</b>	<b>(5,943)</b>	<b>0</b>	<b>(5,943)</b>
<b>Increase (Decrease) in Net Assets</b>	<b>(24,965)</b>	<b>183,388</b>	<b>158,423</b>	<b>(10,121)</b>	<b>8,471</b>	<b>(1,650)</b>
<b>Net Assets Beginning of Year</b>	<b>534,913</b>	<b>8,471</b>	<b>543,384</b>	<b>545,034</b>	<b>0</b>	<b>545,034</b>
<b>Net Assets End of Year</b>	<b>\$ 509,948</b>	<b>\$ 191,859</b>	<b>\$ 701,807</b>	<b>\$ 534,913</b>	<b>\$ 8,471</b>	<b>\$ 543,384</b>

See accompanying notes to the financial statements.

United Way of Putnam County, Inc.  
 Statements of Functional Expenses  
 For the Year Ended June 30, 2020

	<u>Programming Agency Allocations</u>	<u>Support Services Organizational Administration</u>	<u>Fundraising</u>	<u>United Way Dues</u>	<u>Total</u>
Other Programs	98,766				98,766
Campaign Supplies			665		665
Depreciation		256			256
Insurance		1,160			1,160
Membership Dues		1,492			1,492
Postage		175			175
Professional Services		12,782			12,782
Office Supplies		1,863			1,863
Rent, Parking		6,000			6,000
Salaries and Related Costs		10,765	32,295		43,060
Telecommunication		770			770
<b>Sub Total</b>	<b>98,766</b>	<b>35,263</b>	<b>32,960</b>	<b>166,989</b>	
Indiana Association of United Way				250	250
United Way of America Dues				750	750
<b>Total Functional Expenses</b>	<b>98,766</b>	<b>35,263</b>	<b>32,960</b>	<b>1,000</b>	<b>167,989</b>

See accompanying notes to the financial statements.

United Way of Putnam County, Inc.  
 Statements of Functional Expenses  
 For the Year Ended June 30, 2019

	<u>Programming Agency Allocations</u>	<u>Support Services Organizational Administration</u>	<u>Fundraising</u>	<u>United Way Dues</u>	<u>Total</u>
Allocation Awards	27,000				27,000
Other Programs	8,889				8,889
Campaign Supplies			80		80
Depreciation		160			160
Event Expenses			559		559
Insurance		1,358			1,358
Membership Dues		1,088			1,088
Postage		97			97
Professional Services		12,645			12,645
Office Supplies		2,496			2,496
Rent, Parking		2,400			2,400
Salaries and Related Costs		6,100	18,301		24,401
Telecommunication		1,634			1,634
<b>Sub Total</b>	<b>35,889</b>	<b>27,978</b>	<b>18,940</b>		<b>82,807</b>
Indiana Association of United Ways				314	314
United Way of America Dues				1,500	1,500
<b>Total Functional Expenses</b>	<b>35,889</b>	<b>27,978</b>	<b>18,940</b>	<b>1,814</b>	<b>84,621</b>

See accompanying notes to the financial statements.

United Way of Putnam County, Inc.  
 Statements of Cash Flows  
 For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows from Operating Activities:</b>		
Increase (Decrease) in Net Assets	\$ 158,423	\$ (1,650)
<b>Adjustment to Reconcile change in Net Assets to Net Cash Provided (used) by Operating Activities</b>		
Depreciation	256	160
(Increase) Decrease in:		
Pledge Receivable (Net of Allowance)	1,453	2,583
Prepaid Expense	(119)	16
Increase (Decrease) in:		
Accounts Payable	338	(51)
Allocation Payable	(27,000)	(10,510)
Net Provided (Used) by Operating Activities	133,351	(9,452)
<b>Cash Flows from Investing Activities:</b>		
Acquisition of Property & Equipment	0	\$ (800)
Decrease/(Increase) in Investments	18,992	(7,537)
Endowment (Addition) Reduction	0	22,317
Net Cash Provided (Used) by Investing Activities	18,992	13,980
<b>Cash Flows from Financing Activities:</b>		
Short Term Borrowings	7,700	0
Net Cash Provided (Used) by Financing Activities	7,700	0
Net (Decrease)/Increase in Cash	160,043	4,528
Cash at Beginning of Period	\$ 70,833	\$ 66,305
Cash at End of Period	\$ 230,876	\$ 70,833

See accompanying notes to the financial statements.



United Way of Putnam County, Inc.  
Notes to Financial Statements  
June 30, 2020 and 2019

Note 1:

**Accounting Policies:**

The United Way of Putnam County, Inc. (United Way) is a locally operated nonprofit charitable organization in Putnam County, Indiana. The United Way collects local donations and disburses funds to other non-profit organizations in the County.

The Organization uses the accrual method accounting, whereby revenue and pledges to give are recognized as income when made, expenses and donor agencies are recognized when incurred and approved by the Board.

**Basis of Presentation:**

The Organization reports 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*

These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

*Net Assets with Donor Restrictions*

These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets either temporarily or permanently, until the donor restrictions expire, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

The Organization has adopted Accounting Standards Update No. 2014-09 – *Revenue from Contracts with Customers* (Topic 606), as amended, as management believes the standard improves the usefulness and understandability of the Organization’s financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited consolidated financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Most cash is kept in an interest-bearing account.

United Way of Putnam County, Inc.  
Notes to Financial Statements  
June 30, 2020 and 2019  
Continued

**Cash and Cash Equivalents:**

The Organization considers cash equivalents to be all highly liquid debt instruments with a maturity of three months or less unless they are held as part of the long-term investments of the endowment. Cash and cash equivalents consist mainly of cash, certificates of deposit, and money market funds, and are valued using Level 1 inputs as discussed in Note 3.

**Donated Services:**

Volunteer services, which may be substantial, are not reflected in the Statement of Activities. The Organization has recognized \$3,409 and \$713 for 2020 and 2019, of the supplies and services donated to the Organization.

**Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

**Pledge Receivables:**

All pledge receivables are expected to be received within the next fiscal year. The Organization has no long-term promises or pledges. No amounts have a time discount rate applied.

**Concentrations:**

The majority of the organization's fundraising and programs are centered in Putnam County, Indiana.

The Organization maintains its cash at federally insured financial institutions. At times, such balances may be in excess of the FDIC insurance limit.

**Taxes:**

The United Way is a nonprofit organization exempt from income taxes under Section 501(c) 3 of the Internal Revenue Service. Hence no provision for State or Federal Income Tax. The Corporation has not been audited by Internal Revenue Service; hence the last 3 years are still subject to audit and possible assessment.

United Way of Putnam County, Inc.  
Notes to Financial Statements  
June 30, 2020 and 2019  
Continued

Property, Plant and Equipment:

The cost of property, plant and equipment is depreciated over the estimated useful lives of the related assets. Leasehold improvements are depreciated over the estimated useful lives of the assets. Depreciation is computed on the straight line method for financial reporting purposes and income tax purposes. Repairs and maintenance are expensed as incurred.

	<u>2020</u>	<u>2019</u>
Cost	3,434	3,434
Accumulated Depreciation	<u>(3,050)</u>	<u>(2,794)</u>
Net Book Value	384	640

Allowance for Doubtful Pledge:

The Organization provision for its uncollectible promise to give is computed based upon a 3-year historical average adjusted by management estimated of current economic factors, applied to individual campaigns, including donor designation.

Endowment:

The board created an endowment fund with Putnam County Foundation. This is to be invested in perpetuity with earnings to be used as the organization warrants.

The changes in endowment net assets for the year are as follows:

	Without Donor Restrictions	
	<u>2020</u>	<u>2019</u>
Endowment net assets		
Beginning balance	\$496,092	\$510,872
Investment returns:		
Investment income	16,370	18,984
Net appreciation (Realized and unrealized)	<u>(29,754)</u>	<u>(5,944)</u>
	(13,384)	13,040
Investment and management fees	(5,608)	(5,503)
Distributions of funds	0	(22,317)
Endowment net assets		
Ending balance	<u>\$477,100</u>	<u>\$496,092</u>

United Way of Putnam County, Inc.  
Notes to Financial Statements  
June 30, 2020 and 2019  
Continued

**Investment Valuation:**

The Organization investments are stated at fair value in the statement of financial position, with all gains and losses included in the statement of activities. 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 the measurement date. See Note 3 for discussion of fair value measurement.

Cash is invested in a bank money market account and a mutual fund.

**Pledges:**

Most donor pledges are unrestricted and are used by the Organization for its annual agency allocation. Some pledges are restricted to specific agencies. The United Way reports these amounts in its statement of activities. The specific monies are paid to the respective agencies.

**Advertising and Promotion:**

The Organization expenses all advertising and promotion costs when incurred. Advertising expense was \$311 in 2020 and \$80 in 2019.

**Functional Expenses:**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. These amounts are based on actual direct expenditures and cost allocations based on estimate of time spent.

**New Accounting Pronouncement:**

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. The Organization adopted the provisions of this new standard during the year ended June 30, 2019. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (Note5), and disclosures related to functional allocation of expenses were expended.

**Reclassifications:**

Certain consolidated financial statement and note information from the prior year consolidated financial statements has been reclassified to conform with current year presentation format.

United Way of Putnam County, Inc.  
Notes to Financial Statements  
June 30, 2019 and 2018  
Continued

Note 2:

Investments:

The Organization has unrestricted investments which are stated at fair value.

Investments at June 30, 2020 and 2019 consisted of:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Endowment Funds	\$477,100	\$496,092

Note 3:

Fair Value Measurements:

Generally accepted accounting standards related to fair value measurements (a) define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and (b) set out a fair value hierarchy. The fair value hierarchy gives the highest priority to quotes prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable in puts (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability.

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access at the measurement date. The type of investments included in Level 1 includes listed equities and listed derivatives.

Note 4:

Lease Commitments:

The organization leases office space and equipment with various non-cancelable operating leases. Rental expense for 2020 and 2019 were \$6,000 and \$2,400 respectively.

Future minimum lease payment under operating leases are as follows:

Month to Month Lease

Note 5:

Liquidity and Availability of Financial Assets:

The Organization has a policy to manage its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The following table reflects the Organization's financial assets (cash and cash equivalents and accounts receivable) as of June 30, 2020 and 2019, reduced by amounts not available to general expenditures within one year.

United Way of Putnam County, Inc.  
Notes to Financial Statements  
June 30, 2020 and 2019  
Continued

	<u>2020</u>	<u>2019</u>
Total financial assets	\$232,829	\$74,239
Less those unavailable for general expenditure within one year due to:		
Purpose Restrictions	(191,859)	<u>(8,471)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$40,970</u>	<u>\$65,768</u>

Note 6:

Date of Management Review:

Management has evaluated all subsequent events from the statement of financial position date through November 25, 2020 which is the date their financial statements were available to be issued and have determined that there are no subsequent events that require disclosure.

Note 7:

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 financial statements are available to be issued.

Note 8:

Short Term Debt:

Debt at year end consists of the following:

Note payable – Old National Bank/SBA	<u>2020</u>	<u>2019</u>
Interest at 1.00%; monthly payments of \$433.33	\$7,700	0
include principal and interest. Due April 2022.		
Unsecured.		

\*This loan is part of the Paycheck Protection Program through the SBA. The loan will be forgiven when the Organization turns in an application. Since the Organization meets the criteria for forgiveness, the loan is being shown as a current liability.