

**Shelby County United Way**

Financial Statements  
June 30, 2020 and 2019

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## INDEPENDENT AUDITOR'S REPORT

To Management  
Shelby County United Way

We have audited the accompanying financial statements of Shelby County United Way, Inc. which comprise the statements of financial position as of June 30, 2020 and 2019 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**

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 of 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 Shelby County United Way, 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.

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Allocation Schedules on page 18 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material aspects in relation to the basic financial statements taken as a whole.

*McCrate, DeLaet & Co.*

Sidney, Ohio

October 1, 2020

**Shelby County United Way**  
 Statements of Financial Position  
 June 30, 2020 and 2019

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Current Assets:		
Cash	\$ 621,229	\$ 586,968
Certificates of deposit	399,934	495,101
Marketable securities	769,290	733,961
Assets held by others	34,142	32,397
Pledges receivable	403,316	542,240
Total Current Assets	2,227,911	2,390,667
Property and equipment:		
Property and equipment	18,365	18,365
Less - accumulated depreciation	(18,365)	(18,293)
Net Property and Equipment	-	72
<b>Total Assets</b>	<b>\$ 2,227,911</b>	<b>\$ 2,390,740</b>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable	\$ 77	\$ 1,500
Accrued expenses	3,364	5,073
Allocations payable	793,877	953,600
Current Portion of Long-Term Debt	8,418	-
Deferred campaign revenue	-	-
Donor designations payable to other United Ways	97,369	93,600
Total Current Liabilities	903,105	1,053,773
Net Assets Without Donor Restrictions:		
General operating	556,555	577,201
Board designated	391,857	446,588
Total Net Assets Without Donor Restrictions	948,412	1,023,789
Net Assets With Donor Restrictions	376,393	313,179
Total Net Assets	1,324,806	1,336,968
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,227,911</b>	<b>\$ 2,390,740</b>

**Shelby County United Way**  
Statement of Activities and Change in Net Assets  
For the Year Ended June 30, 2020

	Without Donor Restrictions			With Donor	Total
	General	Designated	Total	Restrictions	
Revenues and Other Support:					
Annual campaign results, net of bad debts	\$ -	\$ -	\$ -	\$ 1,221,379	\$ 1,221,379
Less: Other United Way donor designations	-	-	-	(135,100)	(135,100)
Less: Direct agency donor designations	-	-	-	(168,065)	(168,065)
Net Contributions	-	-	-	918,214	918,214
Investment income	58,047	-	58,047	-	58,047
Administrative fees retained on amounts designated by donors to other United Ways	14,605	-	14,605	-	14,605
Miscellaneous income	53,029	-	53,029	-	53,029
Gain/Loss on sales of fixed assets	(2,097)	-	(2,097)	-	(2,097)
Net assets released from restriction: Expiration of time restrictions on annual campaign	855,000	-	855,000	(855,000)	-
Total Revenues and Other Support	978,584	-	978,584	63,214	1,041,798
Expenses:					-
Program services	861,516	-	861,516	-	861,516
Campaign	91,094	-	91,094	-	91,094
General and administrative	101,351	-	101,351	-	101,351
Total Expenses	1,053,961	-	1,053,961	-	1,053,961
Change in Net Assets	(75,377)	-	(75,377)	63,214	(12,163)
Transfer of Net Assets	54,731	(54,731)	-	-	-
Net Assets, Beginning of Year	577,201	446,588	1,023,789	313,179	1,336,968
<b>Net Assets, End of the year</b>	<b>\$ 556,555</b>	<b>\$ 391,857</b>	<b>\$ 948,412</b>	<b>\$ 376,393</b>	<b>\$ 1,324,806</b>

**Shelby County United Way**  
Statement of Activities and Change in Net Assets  
For the Year Ended June 30, 2019

	Without Donor Restrictions			With Donor	Total
	General	Designated	Total	Restrictions	
Revenues and Other Support:					
Annual campaign results, net of bad debts	\$ -	\$ -	\$ -	\$ 1,457,985	\$ 1,457,985
Less: Other United Way donor designations	-	-	-	(150,585)	(150,585)
Less: Direct agency donor designations	-	-	-	(142,424)	(142,424)
Net Contributions	-	-	-	1,164,976	1,164,976
Investment income	61,981	-	61,981	-	61,981
Administrative fees retained on amounts designated by donors to other United Ways	16,518	-	16,518	-	16,518
Miscellaneous income	15,902	-	15,902	-	15,902
Gain/Loss on sales of fixed assets	(2,097)	-	(2,097)	-	(2,097)
Net assets released from restriction: Expiration of time restrictions on annual campaign	1,244,156	-	1,244,156	(1,244,156)	-
<b>Total Revenues and Other Support</b>	<b>1,336,460</b>	<b>-</b>	<b>1,336,460</b>	<b>(79,180)</b>	<b>1,257,279</b>
Expenses:			-		-
Program services	998,953		998,953	-	998,953
Campaign	96,825		96,825	-	96,825
General and administrative	94,323		94,323	-	94,323
<b>Total Expenses</b>	<b>1,190,100</b>	<b>-</b>	<b>1,190,100</b>	<b>-</b>	<b>1,190,100</b>
Change in Net Assets	146,359	-	146,359	(79,180)	67,179
Transfer of Net Assets	850	(850)	-	-	-
Net Assets, Beginning of Year	429,993	447,437	877,430	392,360	1,269,790
<b>Net Assets, End of the year</b>	<b>\$ 577,201</b>	<b>\$ 446,588</b>	<b>\$ 1,023,789</b>	<b>\$ 313,179</b>	<b>\$ 1,336,968</b>

**Shelby County United Way**  
Statement of Functional Expenses  
For the Year Ended June 30, 2020

	<u>Program Services</u>	<u>Campaign</u>	<u>General and Administrative</u>	<u>Total</u>
Allocations	\$ 795,483	\$ -	\$ -	\$ 795,483
Compensation	32,813	46,696	46,696	126,205
Employment taxes and benefits	5,310	7,556	7,556	20,422
Supplies and printing	1,429	2,253	1,814	5,496
Fair share fees	13,897	-	-	13,897
Professional fees	1,034	-	19,648	20,682
Repair and maintenance	2,807	11,229	14,038	28,074
Utilities	1,077	1,533	1,533	4,143
Telephone	845	1,202	1,202	3,249
Insurance	805	1,146	1,146	3,097
Depreciation	24	24	24	72
Campaign expense	-	16,846	-	16,846
Rent	1,833	2,609	2,608	7,050
Other operating expenses	4,159	-	5,087	9,246
<b>Total Expenses</b>	<b><u>\$ 861,516</u></b>	<b><u>\$ 91,094</u></b>	<b><u>\$ 101,351</u></b>	<b><u>\$ 1,053,961</u></b>



**Shelby County United Way**  
Statement of Functional Expenses  
For the Year Ended June 30, 2019

	<u>Program Services</u>	<u>Campaign</u>	<u>General and Administrative</u>	<u>Total</u>
Allocations	\$ 932,781	\$ -	\$ -	\$ 932,781
Compensation	33,597	47,811	47,811	129,219
Employment taxes and benefits	5,067	7,210	7,210	19,487
Supplies and printing	2,040	3,217	2,589	7,846
Fair share fees	14,319	-	-	14,319
Professional fees	951	-	18,060	19,011
Repair and maintenance	1,399	5,594	6,993	13,986
Utilities	1,097	1,561	1,562	4,220
Telephone	802	1,142	1,141	3,085
Insurance	801	1,140	1,141	3,082
Depreciation	144	144	144	432
Campaign expense	-	26,453	-	26,453
Rent	1,794	2,553	2,553	6,900
Other operating expenses	4,160	-	5,118	9,278
<b>Total Expenses</b>	<b><u>\$ 998,953</u></b>	<b><u>\$ 96,825</u></b>	<b><u>\$ 94,323</u></b>	<b><u>\$ 1,190,100</u></b>

**Shelby County United Way**  
 Statements of Cash Flows  
 For the Years Ended June 30, 2020 and 2019

	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities:</b>		
Cash received from donors	\$ 1,360,302	\$ 1,439,702
Interest and dividends received	26,537	24,221
Other revenue	58,209	32,420
Allocations and grants paid	(930,206)	(938,361)
Donor designations	(299,396)	(285,336)
Cash paid to employees and suppliers	(277,110)	(254,869)
Net cash provided (used) by operating activities	(61,664)	17,778
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sales of securities	277,733	97,026
Purchases of investments	(190,227)	(109,123)
Net cash provided (used) by investing activities	87,507	(12,097)
<b>Cash Flows from Financing Activities:</b>		
Proceeds (repayment) of long term debt	8,418	(1,572)
Net cash provided (used) by financing activities	8,418	(1,572)
Net Increase (Decrease) in Cash	34,261	4,108
Cash at Beginning of Year	586,968	582,860
<b>Cash at End of Year</b>	<b>\$ 621,229</b>	<b>\$ 586,968</b>
<b>Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:</b>		
Change in Net Assets	\$ (12,162)	\$ 67,178
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	72	432
Realized (gain) loss on marketable securities	4,996	(15,840)
Unrealized (gain) loss on marketable securities	(36,506)	(21,920)
Gain (loss) on sale of assets	2,097	2,097
(Increase) decrease in net pledges receivable	138,924	(14,812)
Increase (decrease) in accounts payable	(1,422)	1,502
Increase (decrease) in accrued and withheld taxes	(1,708)	3,047
Increase (decrease) in allocations payable	(159,723)	(11,580)
Increase (decrease) in donor designations	3,769	7,674
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (61,664)</b>	<b>\$ 17,778</b>

**Shelby County United Way**  
Notes to Financial Statements

**Note 1 - Nature of Activities:**

Shelby County United Way, Inc. (the Organization) conducts an annual fund raising campaign to provide funds to human service organizations in the Shelby County area. Shelby County United Way, Inc.'s mission statement is: To continually identify, evaluate, and make possible the human services needed in our community by:

Playing a leadership role in raising and distributing funds;  
Encouraging collaboration to resolve community problems;  
Fostering personal involvement in volunteerism; and  
Promoting self-sufficiency with an emphasis on pro-active services.

**Note 2 - Significant Accounting Policies:**

Basis of Accounting

The financial statements of Shelby County United Way, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve. Net assets with donor restrictions are subject to donor-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, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

## **Note 2 - (Continued)**

### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of less than three months to be cash equivalents.

### Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

### Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily accelerated methods over the estimated useful life of the asset. Additions and betterments of \$1,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

### Allocations Payable

Allocations payable are reported at net realizable value if, at the time the promise is made, the Organization expects to make payment in one year or less. Unconditional promises that the Organization expects to pay in more than one year are reported at fair value initially and in subsequent periods because the Organization elected the fair value option in accordance with generally accepted accounting principles. Management believes that the use of fair value reduces the cost of measuring unconditional promises to give in periods subsequent to their payment and provides equal or better information to users of its financial statements than if those promises were measured using present value techniques and historical discount rates.

### Contributions

In accordance with generally accepted accounting principles, contributions received are recorded as contributions with donor restrictions or contributions without donor restrictions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

The Organization reports gifts of equipment as donor unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

## **Note 2 - (Continued)**

### Donated Services

Donated services are recognized as contributions in accordance with generally accepted accounting principles (GAAP), if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Shelby County United Way, Inc. Many individuals also volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments that are not recognized as contributions in the financial statements since the recognition criteria under generally accepted accounting principles were not met.

### Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

### Defined Contribution Plan

The Organization has a defined contribution plan under Section 403(b) of the Internal Revenue code covering all full time employees with at least 90 days of service. Employees may elect to defer a portion of their compensation within certain limits. The employer's contribution is at the discretion of management. Retirement plan expense for the years ended June 30, 2020 and 2019 was \$9,135 and \$8,309, respectively.

### Income Tax Status

The Shelby County United Way, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Shelby County United Way, Inc. qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization is no longer subject to examination by the Internal Revenue Service for years before June 30, 2015.

### Fair Value of Financial Instruments

The following methods and assumptions were used by the Organization to estimate its fair value disclosure for financial statements:

Cash, cash equivalents, and promises to give due in less than 90 days: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Marketable Securities: The fair values of marketable securities are based on quoted market prices for those or similar investments.

### 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, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

**Note 2 - (Continued)**Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

Management has evaluated subsequent events through the Report date, the date the financial statements were available to be issued.

**Note 3 - Pledges Receivable:**

The Organization holds an annual fund-raising campaign that typically starts in early September and ends by late November. The pledges received during the campaign are recognized as support when received. The outstanding pledges receivable at June 30, 2019 and 2018 are as follows:

	<u>2020</u>	<u>2019</u>
2019-2020 campaign	\$ 593,316	\$ -
2018-2019 campaign	-	580,240
	<u>593,316</u>	<u>580,240</u>
Allowance for pledge losses	(190,000)	(38,000)
Pledges Receivable	<u>\$ 403,316</u>	<u>\$ 542,240</u>

**Note 4 - Marketable Securities:**

Marketable securities are stated at fair value. Fair values and unrealized appreciation at June 30, 2020 and 2019 are summarized as follows:

	<u>June 30, 2020</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Corporate obligations	\$ 210,790	\$ 217,923	\$ 7,133
Equities	17,192	24,197	7,005
Equity mutual funds	350,650	527,170	176,520
<b>Total Marketable Securities</b>	<b>\$ 578,632</b>	<b>\$ 769,290</b>	<b>\$ 190,658</b>

	<u>June 30, 2019</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Corporate obligations	\$ 130,966	\$ 132,711	\$ 1,745
Equities	107,503	141,124	33,621
Equity mutual funds	342,249	460,126	117,877
<b>Total Marketable Securities</b>	<b>\$ 580,718</b>	<b>\$ 733,961</b>	<b>\$ 153,243</b>

**Note 4 - (Continued)**

The following schedule summarizes the investment return and its classification in the statement of activities for the periods ended:

	June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest income from bank savings and certificates of deposit	\$ 14,796	\$ -	\$ 14,796
Interest and dividend income	11,741	-	11,741
Net realized and unrealized gains	31,510	-	31,510
<b>Total Investment Income</b>	<b>\$ 58,047</b>	<b>\$ -</b>	<b>\$ 58,047</b>

  

	June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest income from bank savings and certificates of deposit	\$ 11,822	\$ -	\$ 11,822
Interest and dividend income	12,399	-	12,399
Net realized and unrealized gains	37,760	-	37,760
<b>Total Investment Income</b>	<b>\$ 61,981</b>	<b>\$ -</b>	<b>\$ 61,981</b>

**Note 5 - Fair Value Measurements:**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in an active market. This level includes common stocks, corporate bonds and mutual funds based on the closing price reported in the active market where the securities are traded.

**Level 2** - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation, or other means.

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**Note 5 - (Continued)**

Fair values of assets measured on a recurring basis at June 30, 2020 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets held by others	\$ 34,142	\$ -	\$ -	\$ 34,142
Marketable Securities	769,290	769,290	-	-
Total	<u>\$ 803,432</u>	<u>\$ 769,290</u>	<u>\$ -</u>	<u>\$ 34,142</u>

Fair values of assets measured on a recurring basis at June 30, 2019 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets held by others	\$ 32,397	\$ -	\$ -	\$ 32,397
Marketable Securities	733,961	733,961	-	-
Total	<u>\$ 766,358</u>	<u>\$ 733,961</u>	<u>\$ -</u>	<u>\$ 32,397</u>

**Note 6 - Leases:**

The Organization entered into a lease agreement for office space located at 232 South Ohio Street, in Sidney, Ohio. The five year lease agreement, commencing January 1, 2020, has a current monthly obligation of \$600.

The Organization entered into a lease agreement for a Konica Minolta Copier in August 2018. The 60 month lease agreement, has a current monthly obligation of \$187.



**Note 7 - Campaign Revenue:**

Shelby County United Way, Inc. collects campaign contributions from the geographic area of Shelby County. A portion of these contributions are designated by donors to other United Way organizations. Additionally, a separate Women's Initiative Campaign (POWER), provides assistance to children and their families in Shelby County. The gross and net campaign revenues are as follows:

	<u>2020</u>	<u>2019</u>
Pledges 2019/2020 Campaign	\$ 1,339,940	\$ -
Less: Reported in prior years	(21,276)	-
Other United Way donor designations	(139,201)	-
Direct agency donor designation	(168,065)	-
Uncollectible pledges	<u>(152,000)</u>	<u>-</u>
Subtotal	859,398	-
Pledges 2018/2019 Campaign	19,257	1,388,370
Pledges 2020/2021 Campaign	16,449	-
Less: Reported in prior years	-	(18,750)
Other United Way donor designations	-	(150,585)
Direct agency donor designation	-	(142,424)
Uncollectible pledges	<u>-</u>	<u>(35,054)</u>
Subtotal	35,706	1,041,557
Other Contributions	-	94,543
Pledges from previous campaigns	-	
Women's Initiative Campaign (POWER)	<u>23,111</u>	<u>28,876</u>
Annual Campaign Revenue	<u>\$ 918,214</u>	<u>\$ 1,164,976</u>

**Note 8 - Net Assets with Donor Restrictions:**

Net assets with donor restrictions consist of pledges received. The annual fundraising campaign is conducted in the year prior to the receipt of the funds and, therefore, the passage of time removes the donor restriction. The net assets with donor restrictions consisted of:

	<u>2020</u>	<u>2019</u>
Annual Campaign	\$ 1,339,940	\$ 1,388,370
Less: Allocations	<u>(963,547)</u>	<u>(1,075,191)</u>
Net Assets with Donor Restrictions	<u>\$ 376,393</u>	<u>\$ 313,179</u>

**Note 9 - In-Kind Contributions:**

The Organization received in-kind contributions of \$9,243 and \$6,473 for the years ended June 30, 2020 and 2019, respectively. The donations were received from various vendors for items and services such as storage, campaign shirts, advertising, video creation, designing and printing pledge cards, and office supplies.

Contributed services totaling \$3,543 and \$6,000 for the years ended June 30, 2020 and 2019 respectively, included printing, pledge card designing, and advertising.

**Note 10 - Related Party Transactions:**

Shelby County United Way has paid fair share fees to the United Way Worldwide. The fair share fees for the years ended June 30, 2020 and 2019 were \$13,897 and \$13,657, respectively.

**Note 11 - Board Designated Net Assets:**

The Board of the Shelby County United Way has designated certain net assets as reserves of the organization. Reserves are available for general activities, endowments, and as an emergency fund.

At June 30, 2020 and 2019, board designated reserves amounted to:

	<u>2020</u>	<u>2019</u>
Appropriated Reserves at 25% of next year budgeted expenses, including allocations	\$ 276,157	\$ 330,888
Operating Reserves	115,700	115,700
Total Board Designated Reserves	<u>\$ 391,857</u>	<u>\$ 446,588</u>

**Note 12 - Allocation of Joint Costs:**

The brochure used by the Shelby County United Way, Inc. is a referral source as well as a campaign pledge card. The Organization also receives free advertising from the local radio station and received donated furniture and painting service. For the years ended June 30, 2020 and 2019, the cost of redesigning and printing the brochure, advertising, and donated furniture/painting amounted to \$9,424 and \$6,474 of joint costs, respectively. These were in-kind gifts and were allocated as follows:

	<u>2020</u>	<u>2019</u>
Fundraising	\$ 6,152	\$ 5,153
Programming	545	1,322
General and Administrative	2,727	-
Total Joint Costs	<u>\$ 9,424</u>	<u>\$ 6,475</u>

**Note 13 - Concentration of Credit Risk:**

Shelby County United Way, Inc. conducts an annual fund-raising campaign in Shelby County, Ohio. This campaign provides virtually all of the support of the Organization. Approximately 50% of the campaign revenues come from five corporate contributors and their employees.

Shelby County United Way, Inc. maintains cash balances at several financial institutions in Sidney, Ohio. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to a certain limit. From time to time, deposits at any one institution may exceed this limit.

**Note 14 - Liquidity:**

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	<u>2020</u>	<u>2019</u>
Financial assets at year-end		
Cash	\$ 621,230	\$ 586,968
Certificates of deposits	399,933	495,101
Marketable Securities	769,290	733,961
Current Liabilities	<u>(903,105)</u>	<u>(1,053,773)</u>
Financial Assets available to meet cash needs for general expenditures within one year	<u>\$ 887,349</u>	<u>\$ 762,258</u>

The Board of Directors along with management decide on the allocation budget for the following fiscal year. They manage liquidity based on the funds they have and the amounts that have already been promised to local organizations.

**Note 15 - Covid 19:**

In March 2020, the World Health Organization categorized Coronavirus Disease 2019 ("COVID-19") as a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The COVID-19 pandemic has led to extreme volatility in financial markets and has affected, and may continue to affect, the market price of investments. The potential economic impact brought by, and the duration of, COVID-19 is difficult to assess or predict and will depend on future developments that are highly uncertain and cannot be predicted.

The United Way received a PPP (Paycheck Protection Program) Loan in the amount of \$22,000. The United Way accounted for the loan with ASC 470 debt accounting. This shows up as a liability and as the expenses are used they are recorded as a "gain on extinguishment." The United Way is expecting to receive the full amount forgiven with a balance of \$8,418 at June 30, 2020.

**Shelby County United Way**  
Allocation Schedules  
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Investing in Youth & Children:		
Midwest Regional ESC Alt School	\$ 26,000	\$ 18,000
Big Brothers Big Sisters	40,000	55,000
Miami Valley Council Boy Scouts	22,500	30,000
Sidney Alternative School	-	-
Clear Creek Farms	50,700	40,000
Total Investing in Youth & Children	<u>139,200</u>	<u>143,000</u>
Enriching the Lives of Seniors:		
Adult Day Care Center	20,500	25,000
Senior Center Sidney/Shelby Co	30,000	53,000
Sr Health Service - Catholic SS	36,000	40,000
Catholic Social Services - Mental Health	20,000	30,000
Total Enriching the Lives of Seniors	<u>106,500</u>	<u>148,000</u>
Strengthening Families & Individuals:		
CASA/GAL	15,000	15,000
Salvation Army Bridging the Gap	-	7,500
Wilma Valentine Creative Learning Center	64,000	85,500
Sidney/Shelby Co YMCA Childcare	70,000	93,000
Alpha Community Center	38,000	47,500
Total Strengthening Families & Individuals	<u>187,000</u>	<u>248,500</u>
Caring for People in Crisis:		
American Red Cross	1,192	8,100
New Choices	55,000	55,000
Emergency Housing & Utilities	18,000	18,000
Samaritan Works	50,000	65,000
Victim Services	20,000	20,000
COVID 19 Emergency Funding	65,565	-
Consumer Credit Counseling	216	-
Sheriff Star House	35,000	30,000
Total Caring for People in Crisis	<u>244,973</u>	<u>196,100</u>
Promoting Health & Well Being:		
Rehab Center	20,000	27,000
Shelby County ARC	16,000	31,000
Compassionate Care	56,000	75,000
Safe Haven	16,000	18,000
Agape	40,000	40,000
Total Promoting Health & Well Being	<u>148,000</u>	<u>191,000</u>

**Shelby County United Way**  
Allocation Schedules  
For the Years Ended June 30, 2019 and 2018

Community Impact		
Imagination Library	7,563	21,000
Total Community Impact	<u>7,563</u>	<u>21,000</u>
Other Allocations:		
Special Projects	63,459	99,091
211 Programming	14,467	6,000
Student United Way	20,464	10,593
Christmas Dinner	6,922	5,386
Kids Around The Square	-	536
POWER	25,000	6,000
Total Other Allocations	<u>130,312</u>	<u>127,605</u>
Gross Agency Allocations	963,548	1,075,205
Less: Direct Agency Donor Designations	<u>168,065</u>	<u>142,424</u>
<b>NET AGENCY ALLOCATIONS</b>	<u><u>\$ 795,483</u></u>	<u><u>\$ 932,781</u></u>