

INDEPENDENT AUDITORS' REPORT
UNITED WAY OF KNOX COUNTY OHIO, INC.

December 31, 2020

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Independent Auditors' Report

Board of Directors
United Way of Knox County Ohio, Inc.

Opinion

We have audited the accompanying financial statements of United Way of Knox County Ohio, Inc. (a nonprofit Ohio corporation), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Knox County Ohio, Inc. 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Knox County Ohio, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Knox County Ohio, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Knox County Ohio, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Knox County Ohio, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
August 12, 2021

United Way of Knox County Ohio, Inc.

STATEMENTS OF FINANCIAL POSITION

ASSETS	December 31	
	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 659,035	\$ 631,629
Contributions receivable - net	254,064	460,500
Beneficial interest in assets held by foundation	658,223	583,030
Property and equipment - net	186,044	187,719
Prepaid expenses and deposits	<u>3,347</u>	<u>3,347</u>
Total assets	\$ <u>1,760,713</u>	\$ <u>1,866,225</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ -	\$ 7,805
Accrued payroll and benefits	3,463	9,692
Allocations payable to partner agencies	642,127	637,404
Donor designations payable		
United Way partner agencies	21,857	22,077
Other area United Ways	10,588	14,122
Capital lease obligation	<u>2,386</u>	<u>5,095</u>
Total liabilities	680,421	696,195
NET ASSETS		
Without donor restrictions	1,070,075	1,170,030
With donor restrictions	<u>10,217</u>	<u>-</u>
Total net assets	<u>1,080,292</u>	<u>1,170,030</u>
Total liabilities and net assets	\$ <u>1,760,713</u>	\$ <u>1,866,225</u>

The accompanying notes are an integral part of this statement.

United Way of Knox County Ohio, Inc.

STATEMENTS OF ACTIVITIES

	Year ended December 31	
	2020	2019
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Public support and revenue		
Public support		
Annual campaign results		
Campaign results	\$ 776,886	\$ 1,053,809
Less donor designations	(30,109)	(33,675)
Less campaign pledges with donor restrictions	(62,414)	(53,064)
Plus (less) allowance for uncollectible pledges	6,059	(5,284)
Net campaign revenues	690,422	961,786
Additional prior year campaign revenues	146,295	160,759
Contributions	7,269	103,832
Total public support	843,986	1,226,377
Revenue		
Investment income	75,547	104,220
Administrative fees	251	832
Total revenue	75,798	105,052
Total public support and revenue	919,784	1,331,429
Net assets released from restrictions	74,631	58,063
	994,415	1,389,492
Expenses		
Program services		
Partner agency program allocations	642,127	696,524
Agency coordinated programs	296,869	375,141
	938,996	1,071,665
Supporting services		
Management and general	77,598	76,801
Fundraising	75,777	83,014
Direct benefits to donors	1,999	24,497
	155,374	184,312
Total expenses	1,094,370	1,255,977
(Decrease) increase in net assets without donor restrictions	(99,955)	133,515
NET ASSETS WITH DONOR RESTRICTIONS		
Campaign pledges	62,414	53,064
Contributions, sponsorships and fundraisers	22,434	4,999
Restrictions satisfied by payments	(74,631)	(58,063)
Increase in net assets with donor restrictions	10,217	-
(Decrease) increase in net assets	\$ (89,738)	\$ 133,515

The accompanying notes are an integral part of this statement.

United Way of Knox County Ohio, Inc.

STATEMENTS OF CHANGES IN NET ASSETS

Years ended December 31, 2020 and 2019

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Balance at December 31, 2018	\$ 1,036,515	\$ -	\$ 1,036,515
Change in net assets	<u>133,515</u>	<u>-</u>	<u>133,515</u>
Balance at December 31, 2019	1,170,030	-	1,170,030
Change in net assets	<u>(99,955)</u>	<u>10,217</u>	<u>(89,738)</u>
Balance at December 31, 2020	\$ <u><u>1,070,075</u></u>	\$ <u><u>10,217</u></u>	\$ <u><u>1,080,292</u></u>

The accompanying notes are an integral part of this statement.

United Way of Knox County Ohio, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2020

	Program Services	Supporting Services			Total Supporting Services	Total Expense 2020
	Allocations / Agency Programs	Management and General	Fund Raising	Direct Benefits to Donors		
Salaries and wages	\$ 111,176	\$ 45,182	\$ 40,171	\$ -	\$ 85,353	\$ 196,529
Payroll taxes and benefits	18,700	7,599	6,757	-	14,356	33,056
Total salaries and related expenses	129,876	52,781	46,928	-	99,709	229,585
Professional fees	-	9,000	-	-	9,000	9,000
Rent and utilities	1,801	540	1,260	-	1,800	3,601
Repairs and maintenance	1,784	535	1,248	-	1,783	3,567
Software and licenses	5,229	3,922	3,922	-	7,844	13,073
Insurance	-	3,514	-	-	3,514	3,514
Publicity	5,381	449	3,139	-	3,588	8,969
Postage	1,593	637	955	-	1,592	3,185
Telephone	2,575	858	858	-	1,716	4,291
Office supplies	1,022	85	596	-	681	1,703
Dues and subscriptions	1,684	375	1,684	-	2,059	3,743
Bank charges	-	1,332	-	-	1,332	1,332
Payroll processing fees	-	1,975	-	-	1,975	1,975
Printing expense	2,905	264	2,113	-	2,377	5,282
Payments to affiliated organizations	7,778	-	7,778	-	7,778	15,556
Conferences and meetings	752	752	377	-	1,129	1,881
Travel	1,127	-	125	-	125	1,252
Campaign expenses	325	-	2,931	-	2,931	3,256
Special events expense	-	-	107	1,999	2,106	2,106
Agency training/contributions	8,940	-	-	-	-	8,940
Agency programs	117,336	-	-	-	-	117,336
Allocations expense	663,984	-	-	-	-	663,984
Less allocations funded through designations	(21,857)	-	-	-	-	(21,857)
Interest expense	-	315	-	-	315	315
Total expenses before depreciation	932,235	77,334	74,021	1,999	153,354	1,085,589
Depreciation expense	6,761	264	1,756	-	2,020	8,781
Total expenses	\$ 938,996	\$ 77,598	\$ 75,777	\$ 1,999	\$ 155,374	\$ 1,094,370

The accompanying notes are an integral part of this statement.

United Way of Knox County Ohio, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2019

	Program Services	Supporting Services			Total Expense 2019	
	Allocations / Agency Programs	Management and General	Fund Raising	Direct Benefits to Donors		Total Supporting Services
Salaries and wages	\$ 117,500	\$ 39,866	\$ 44,206	\$ -	\$ 84,072	\$ 201,572
Payroll taxes and benefits	13,514	4,586	5,084	-	9,670	23,184
Total salaries and related expenses	131,014	44,452	49,290	-	93,742	224,756
Professional fees	-	16,382	-	-	16,382	16,382
Rent and utilities	1,800	540	1,260	-	1,800	3,600
Repairs and maintenance	2,125	638	1,487	-	2,125	4,250
Software and licenses	4,060	3,045	3,045	-	6,090	10,150
Insurance	-	3,315	-	-	3,315	3,315
Publicity	5,338	445	3,114	-	3,559	8,897
Postage	2,238	895	1,343	-	2,238	4,476
Telephone	2,482	827	827	-	1,654	4,136
Office supplies	1,652	138	964	-	1,102	2,754
Dues and subscriptions	4,124	917	4,124	-	5,041	9,165
Bank charges	-	1,088	-	-	1,088	1,088
Payroll processing fees	-	1,200	-	-	1,200	1,200
Printing expense	3,234	294	2,352	-	2,646	5,880
Payments to affiliated organizations	5,373	-	5,373	-	5,373	10,746
Conferences and meetings	1,781	1,781	891	-	2,672	4,453
Travel	365	-	41	-	41	406
Campaign expenses	494	-	4,444	-	4,444	4,938
Special events expense	-	-	2,713	24,497	27,210	27,210
Agency training/contributions	410	-	-	-	-	410
Agency programs	201,929	-	-	-	-	201,929
Allocations expense	718,601	-	-	-	-	718,601
Less allocations funded through designations	(22,077)	-	-	-	-	(22,077)
Interest expense	-	582	-	-	582	582
Total expenses before depreciation	1,064,943	76,539	81,268	24,497	182,304	1,247,247
Depreciation expense	6,722	262	1,746	-	2,008	8,730
Total expenses	\$ 1,071,665	\$ 76,801	\$ 83,014	\$ 24,497	\$ 184,312	\$ 1,255,977

The accompanying notes are an integral part of this statement.

United Way of Knox County Ohio, Inc.

STATEMENTS OF CASH FLOWS

	Year ended December 31	
	2020	2019
Cash flows from operating activities		
Changes in net assets	\$ (89,738)	\$ 133,515
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	8,781	8,730
Provision for losses on contributions receivable	(6,059)	5,284
Changes in assets and liabilities		
Contributions receivable	212,495	72,029
Beneficial interest in assets held by foundation	(75,193)	(102,621)
Accounts payable	(7,805)	7,805
Accrued expenses	(6,229)	9,692
Allocations payable to partner agencies	4,723	(21,967)
Donor designations payable	(3,754)	1,405
Net cash provided by operating activities	37,221	113,872
Cash flows from investing activities		
Purchases of property and equipment	(7,106)	(8,775)
Net cash (used in) investing activities	(7,106)	(8,775)
Cash flows from financing activities		
Principal payments under capital lease obligations	(2,709)	(2,717)
Net cash (used in) financing activities	(2,709)	(2,717)
Net increase in cash and cash equivalents	27,406	102,380
Cash and cash equivalents at beginning of year	631,629	529,249
Cash and cash equivalents at end of year	\$ 659,035	\$ 631,629

The accompanying notes are an integral part of this statement.

United Way of Knox County Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS

NOTE A – ORGANIZATION AND ACCOUNTING POLICIES

United Way of Knox County Ohio, Inc. (the Organization) is organized to improve the quality of people's lives throughout Knox County by efficiently raising and responsibly distributing funds to a collaborative agency network. The Organization also serves as the steward of donor contributions, investing in programs that measurably impact community needs in all parts of Knox County.

The majority of United Way of Knox County Ohio, Inc.'s funding to carry out the above purposes is received in the annual campaign drive of the Organization. Approximately 89% and 84% came from its campaigns during 2020 and 2019, respectively.

A summary of the major accounting policies followed by the Organization in the preparation of the accompanying financial statements is set forth below:

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets

Net Assets without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as assets without donor restrictions and reported on the statements of activities as net assets released from restriction. Pledges received by the Organization, which the donor has designated to a specified third party agency, are considered to be agent transactions. The assets received from such transactions are not considered as revenue to the Organization and are shown as a reduction in total campaign revenues in the statements of activities.

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 three months or less to be cash equivalents.

The Organization maintains its cash and cash equivalents in one financial institution in Mount Vernon, Ohio. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents and had uninsured balances of none and \$26,057 at December 31, 2020 and 2019.

United Way of Knox County Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A – ORGANIZATION AND ACCOUNTING POLICIES - CONTINUED

Pledges Receivable

All contributions are considered available for unrestricted use, unless specifically restricted by the donor. Pledges are recorded in the statement of financial position when the Organization is notified of the pledge, and allowances are provided for amounts estimated as uncollectible. All pledges receivable are due within one year.

Property and Equipment

Major purchased property and equipment improvements and additions are charged to the property accounts at cost while replacements, maintenance, and repairs which do not extend the life of the assets are expensed currently. Depreciation is computed on the straight-line basis over the estimated useful life of the asset, which varies from 3 to 40 years. Cost and related accumulated depreciation of the property sold or otherwise retired are relieved from the accounts and the resulting gains and losses are reflected in the statement of activities.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Investments

Investments are stated at fair value. Donated investments are recorded as contributions at their fair value on the date of receipt and are classified according to donor restrictions or lack thereof. The Organization's policy for donated stock is for it to be immediately sold. As such and in accordance with FASB ASC 230, *Statement of Cash Flows*, the Organization classifies the cash receipts from the sale of donated stock as operating cash flows in the statement of cash flows.

Revenue Recognition

Contribution revenue

The Organization recognizes contributions received and pledges (unconditional promises to give) made as revenue in the period received or pledge is made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There were no conditional promise to give for the years ended December 31, 2020 and 2019.

United Way of Knox County Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A – ORGANIZATION AND ACCOUNTING POLICIES - CONTINUED

Allocations Expense

Amounts allocated to other nonprofit organizations are shown on the statement of functional expenses as program services. Allocations to be paid from amounts designated by donors to those organizations are shown as allocations funded through designations in the statement of functional expenses.

Expense Allocation

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specified function of the Organization are reported as expenses for those functional areas and expenses not directly attributable are estimated by the Organization's management.

Estimates

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

Income Taxes

United Way of Knox County Ohio, Inc. is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ending 2017, 2018, 2019, and 2020 are subject to examination by the IRS, generally for three years after they were filed.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 606 provides a comprehensive revenue recognition model requiring companies to recognize revenue for the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. The guidance also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts. The Organization adopted Topic 606, and all related amendments, on January 1, 2020 using the modified retrospective method. The adoption of this standard had no material impact on the Organization's financial statements.

United Way of Knox County Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B – CASH FLOW DISCLOSURES

<u>Supplemental Cash Flow Disclosures</u>	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Interest paid	\$ <u>315</u>	\$ <u>582</u>

NOTE C – CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Pledges receivable:		
Due in less than one year		
2018 Campaign	\$ -	\$ 26,424
2019 Campaign	43,416	477,076
2020 Campaign	<u>243,648</u>	<u>-</u>
Total contributions receivable	287,064	503,500
Less allowance for uncollectible pledges	<u>(33,000)</u>	<u>(43,000)</u>
	\$ <u>254,064</u>	\$ <u>460,500</u>

The allowance for uncollectible pledges is based on a five-year average of 1.66%.

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment owned by the Organization consists of the following at December 31:

	<u>Cost or Other Basis</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
<u>2020</u>			
Building	\$ 141,886	\$ 17,282	\$ 124,604
Furniture and equipment	54,227	37,137	17,090
Land	<u>44,350</u>	<u>-</u>	<u>44,350</u>
	\$ <u>240,463</u>	\$ <u>54,419</u>	\$ <u>186,044</u>
<u>2019</u>			
Building	\$ 140,830	\$ 12,196	\$ 128,634
Furniture and equipment	48,177	33,442	14,735
Land	<u>44,350</u>	<u>-</u>	<u>44,350</u>
	\$ <u>233,357</u>	\$ <u>45,638</u>	\$ <u>187,719</u>

United Way of Knox County Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE E – BENEFICIAL INTEREST IN ASSETS HELD BY FOUNDATION

An Endowment Fund was established in 1995 with the Community Foundation of Mount Vernon and Knox County (the Foundation) whereby the principal and earnings could be invested and then transferred to United Way of Knox County Ohio, Inc. at the discretion of the Organization. In addition, this Fund collects donations from the general public to support United Way.

The Foundation has no variance power to redirect any contributions or earnings at its discretion. Thus, contributions from the general public to the Fund are recognized as an asset and liability by the Foundation upon their receipt and will be recognized as income by United Way of Knox County Ohio, Inc. in the year received by the Foundation. The information presented is provided by the Foundation and is represented to be at fair value.

	<u>2020</u>	<u>2019</u>
Beneficial interest at beginning of the year	\$ 583,030	\$ 480,409
Net investment income	79,637	106,734
Administration fees	<u>(4,444)</u>	<u>(4,113)</u>
Beneficial interest at the end of the year	\$ <u>658,223</u>	\$ <u>583,030</u>

NOTE F – DEFINED CONTRIBUTION PLAN

During 2020, the Organization started a 401(k) retirement plan that allows elective employee contributions and a discretionary employer match. The Organization elected to match 3% of employee deferrals during the year ended December 31, 2020. For the years ended December 31, 2020 and 2019, expense under the plan was \$6,106 and none, respectively.

NOTE G – RELATED PARTY TRANSACTIONS

Included in payments to affiliated organizations for the years ended December 31, 2020 and 2019 are annual dues to United Way Worldwide, the national organization, of \$15,556 and \$10,746, respectively.

NOTE H – DONATED MATERIALS AND SERVICES

The Organization records the value of donated goods or services when there is an objective basis available to measure their value. During the years ended December 31, 2020 and 2019, the Organization was the recipient of donations with a total fair market value, as determined by the contributors, of \$550 and \$2,178, respectively.

These donations for 2020 and 2019 consist of program supplies. The donations of goods and services are included in the statement of activities as part of unrestricted contributions and the expenses thereof are included in the statement of functional expenses as part of agency programs for 2020 and 2019.

The Organization has also received services donated by various individuals to assist the Organization in its program services and fund raising campaign. These donated services are not reported in the accompanying financial statements because there is no objective method or basis to measure the value of such services.

United Way of Knox County Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions shown on the statement of financial position consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Imagination Library	\$ <u>10,217</u>	\$ <u>-</u>

NOTE J – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has financial assets available within one year of the balance sheet date to meet cash needs for general expenditure (such as for 2020 allocations payable in 2021 of \$642,127) consisting of cash of \$659,035, contributions receivable (net) of \$254,064 and short-term investments of \$658,223. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year. The Organization is required by their by-laws to maintain financial assets, which consist of cash and short-term investments, on hand to meet 150 days of normal operating expenses, which are, on average, approximately \$450,000 over that time. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE K – LEASE COMMITMENTS

The Organization leases a copier through a leasing company under a long-term lease agreement that expires in September 2021. This leasing arrangement is being accounted for as a capital lease.

The capitalized cost, accumulated depreciation, and depreciation expense relating to this capital lease was as follows at December 31:

	<u>2020</u>	<u>2019</u>
Capitalized cost	\$ 13,300	\$ 13,300
Less accumulated depreciation	<u>5,653</u>	<u>4,323</u>
	\$ <u>7,647</u>	\$ <u>8,977</u>
Depreciation expense	\$ <u>1,330</u>	\$ <u>1,330</u>

The following is a schedule by years of future minimum payments required under the lease together with its present value at December 31, 2020:

Year ended December 31:

	<u>Amount</u>
2021	2,474
Amounts representing interest	<u>88</u>
Present value of minimum lease payments	2,386
Current maturities of capital lease obligation	<u>2,386</u>
Long-term portion of capital lease obligation	\$ <u>-</u>

United Way of Knox County Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L – CONCENTRATIONS

For the years ended December 31, 2020 and 2019, approximately 14% and 22%, respectively, of total public support and revenue was received from one donor company. This percentage ranged from as low as 14% up to 46% from 2016 to 2020.

NOTE M – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 12, 2021, the date the financial statements were available to be issued.