

Jennings County United Way, Inc.
North Vernon, Indiana
Financial Statements
December 31, 2015 and 2014
(See Independent Auditor's Report)

Jennings County United Way, Inc.
North Vernon, Indiana
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jennings County United Way, Inc.
North Vernon, Indiana

We have audited the accompanying financial statements of Jennings County United Way, Inc. (a nonprofit organization), which comprise the Statements of Financial Position as of December 31, 2015 and 2014, 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

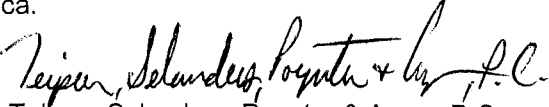
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 Jennings County United Way, Inc. as of December 31, 2015 and 2014, 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

December 10, 2016

Jennings County United Way, Inc.
North Vernon, Indiana
Statements of Financial Position
As of December 31, 2015 and 2014
(See Independent Auditor's Report)

	2015	2014
Assets		
Cash and Cash Equivalents - Note 1	\$ 118,377	\$ 80,110
Short-Term Investments - Notes 1 and 3	1,095	-
Pledges Receivable - 2015 Campaign, Due Within One Year, Net of Allowance for Uncollectible Pledges of \$8,752 - Note 1	52,184	-
Pledges Receivable - 2014 Campaign, Currently Due, Net of Allowance for Uncollectible Pledges of \$9,598 and \$8,683 - Note 1	20,336	103,009
Pledges Receivable - 2013 Campaign, Currently Due, Net of Allowance for Uncollectible Pledges of \$0 and \$6,897 - Note 1	-	17,132
Pledges Receivable - 2012 and 2011 Campaign, Currently Due, Net of Allowance for Uncollectible Pledges of \$0 - Note 1	-	15
Grant Receivable - Note 12	-	39,150
Prepaid Expenses	5,717	4,378
Property and Equipment - Net of Accumulated Depreciation of \$13,738 and \$9,979 - Notes 1, 2 and 6	148,310	152,069
Beneficial Interest in Jennings County Community Foundation - Note 4	<u>23,985</u>	<u>23,837</u>
Total Assets	\$ <u>370,005</u>	\$ <u>419,700</u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable	\$ 2,442	\$ 4,029
Accrued Distributions	-	19,250
Accrued Wages and Vacation	3,188	3,380
Designations Payable - 2015 Campaign	16,336	-
Designations Payable - 2014 Campaign	4,605	16,674
Designations Payable - 2013 Campaign	-	5,314
Designations Payable - 2012 Campaign	-	8
Mortgage Payable - Note 6	<u>113,302</u>	<u>117,719</u>
Total Liabilities	<u>139,873</u>	<u>166,374</u>
Net Assets - Notes 1 and 5		
Unrestricted	63,679	55,080
Temporarily Restricted	142,468	174,409
Permanently Restricted	<u>23,985</u>	<u>23,837</u>
Total Net Assets	<u>230,132</u>	<u>253,326</u>
Total Liabilities and Net Assets	\$ <u>370,005</u>	\$ <u>419,700</u>

Jennings County United Way, Inc.
North Vernon, Indiana
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2015
(See Independent Auditor's Report)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue - Note 1				
Gross Campaign Results	\$ 32,390	\$ 114,840	\$ -	\$ 147,230
Donor Designations	(10,576)	(16,956)	-	(27,532)
Provision for Uncollectible Pledges	1,608	(8,752)	-	(7,144)
Net Campaign Results	<u>23,422</u>	<u>89,132</u>	-	<u>112,554</u>
Special Events	6,968	-	-	6,968
Designations from Other United Ways	23,236	-	-	23,236
Service Fees	(21)	620	-	599
Getting Ahead	-	25	-	25
In-Kind	12,837	-	-	12,837
Program Service	227	-	-	227
Miscellaneous	2,422	-	-	2,422
Interest Income and Investment Loss - Note 3	110	(94)	-	16
Increase in Beneficial Interest in Jennings County Community Foundation Fund	-	-	148	148
Net Assets Released from Restriction	<u>121,624</u>	<u>(121,624)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>190,825</u>	<u>(31,941)</u>	<u>148</u>	<u>159,032</u>
Program and Support Services				
Program Services				
Gross Funds Distributed	54,802	-	-	54,802
Other Program Services	<u>88,618</u>	<u>-</u>	<u>-</u>	<u>88,618</u>
Total Program Services	<u>143,420</u>	<u>-</u>	<u>-</u>	<u>143,420</u>
Support Services				
Management and General	28,982	-	-	28,982
Fundraising	8,166	-	-	8,166
Unallocated Payments to Affiliated Organization - UWA Dues	<u>1,658</u>	<u>-</u>	<u>-</u>	<u>1,658</u>
Total Support Services	<u>38,806</u>	<u>-</u>	<u>-</u>	<u>38,806</u>
Total Expenses	<u>182,226</u>	<u>-</u>	<u>-</u>	<u>182,226</u>
Change in Net Assets	8,599	(31,941)	148	(23,194)
Net Assets - Beginning of Year	<u>55,080</u>	<u>174,409</u>	<u>23,837</u>	<u>253,326</u>
Net Assets - End of Year	<u>\$ 63,679</u>	<u>\$ 142,468</u>	<u>\$ 23,985</u>	<u>\$ 230,132</u>

Jennings County United Way, Inc.
North Vernon, Indiana
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2014
(See Independent Auditor's Report)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue - Note 1				
Gross Campaign Results	\$ 47,352	\$ 138,196	\$ -	\$ 185,548
Donor Designations	(4,804)	(16,717)	-	(21,521)
Provision for Uncollectible Pledges	(3,517)	(8,683)	-	(12,200)
Net Campaign Results	<u>39,031</u>	<u>112,796</u>	-	<u>151,827</u>
Special Events	9,533	-	-	9,533
Designations from Other United Ways	20,723	-	-	20,723
Service Fees	-	43	-	43
Grant - INvest1213 - Note 12	-	315	-	315
Grant - Work2Gether - Note 12	-	39,150	-	39,150
In-Kind	8,519	-	-	8,519
General Contribution	22,163	-	-	22,163
Program Service	96	-	-	96
Miscellaneous	1,215	-	-	1,215
Interest Income and Investment Loss - Note 3	98	(105)	-	(7)
Increase in Beneficial Interest in Jennings County Community Foundation Fund	-	-	579	579
Net Assets Released from Restriction	<u>102,099</u>	<u>(102,099)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>203,477</u>	<u>50,100</u>	<u>579</u>	<u>254,156</u>
Program and Support Services				
Program Services				
Gross Funds Distributed	63,662	-	-	63,662
Other Program Services	<u>83,933</u>	<u>-</u>	<u>-</u>	<u>83,933</u>
Total Program Services	<u>147,595</u>	<u>-</u>	<u>-</u>	<u>147,595</u>
Support Services				
Management and General	26,089	-	-	26,089
Fundraising	7,094	-	-	7,094
Unallocated Payments to Affiliated Organization - UWA Dues	<u>1,678</u>	<u>-</u>	<u>-</u>	<u>1,678</u>
Total Support Services	<u>34,861</u>	<u>-</u>	<u>-</u>	<u>34,861</u>
Total Expenses	<u>182,456</u>	<u>-</u>	<u>-</u>	<u>182,456</u>
Change in Net Assets	21,021	50,100	579	71,700
Net Assets - Beginning of Year	<u>34,059</u>	<u>124,309</u>	<u>23,258</u>	<u>181,626</u>
Net Assets - End of Year	<u>\$ 55,080</u>	<u>\$ 174,409</u>	<u>\$ 23,837</u>	<u>\$ 253,326</u>

Jennings County United Way, Inc.
North Vernon, Indiana
Statement of Functional Expenses
For the Year Ended December 31, 2015
(See Independent Auditor's Report)

	Program Services	Management and General	Fund- Raising	UWA Dues	Total
Gross Distributions - Note 12	\$ 73,960	\$ -	\$ -	\$ -	\$ 73,960
Donor Designations	(19,198)	-	-	-	(19,198)
Special Grants and Allocations	40	-	-	-	40
Net Funds Distributed	<u>54,802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,802</u>
Salaries and Wages - Professional	38,508	3,964	3,964	-	46,436
Payroll Taxes and Benefits	3,915	426	426	-	4,767
Total Personnel	<u>42,423</u>	<u>4,390</u>	<u>4,390</u>	<u>-</u>	<u>51,203</u>
Accounting and Pledge Processing Services	-	10,740	-	-	10,740
Professional Fees	-	6,500	-	-	6,500
Contract Service Fees	-	-	36	-	36
Campaign Events and Supplies	-	-	1,549	-	1,549
Marketing and Advertising	4,496	100	100	-	4,696
Postage	77	10	10	-	97
Office Supplies	694	87	87	-	868
Telephone and Utilities	4,119	515	515	-	5,149
Repairs and Maintenance	3,146	393	393	-	3,932
Insurance	1,823	228	228	-	2,279
Conferences, Training and Meetings	14	(23)	(23)	-	(32)
Travel	519	76	105	-	700
Equipment Purchases	491	61	61	-	613
Grants					
4Community2	955	-	-	-	955
INvest1213	6,568	-	-	-	6,568
Work2Gether	604	-	-	-	604
Special Event, Day of Caring	2,801	-	-	-	2,801
Youth Leadership	1,850	-	-	-	1,850
Charity Tracker	2,150	-	-	-	2,150
Dollars for Scholars	2,975	-	-	-	2,975
Disaster Relief	4,936	-	-	-	4,936
Building	2,932	366	366	-	3,664
Interest	-	5,183	-	-	5,183
Local and State Affiliation Dues	382	48	48	-	478
Depreciation - Note 1	3,193	283	283	-	3,759
Miscellaneous	1,470	25	18	-	1,513
Subtotal	<u>88,618</u>	<u>28,982</u>	<u>8,166</u>	<u>-</u>	<u>125,766</u>
United Way of America - Dues	-	-	-	1,658	1,658
Totals	<u>\$ 143,420</u>	<u>\$ 28,982</u>	<u>\$ 8,166</u>	<u>\$ 1,658</u>	<u>\$ 182,226</u>

Jennings County United Way, Inc.
North Vernon, Indiana
Statement of Functional Expenses
For the Year Ended December 31, 2014
(See Independent Auditor's Report)

	Program Services	Management and General	Fund- Raising	UWA Dues	Total
Gross Distributions - Note 12	\$ 75,500	\$ -	\$ -	\$ -	\$ 75,500
Donor Designations	(11,910)	-	-	-	(11,910)
Special Grants and Allocations	72	-	-	-	72
Net Funds Distributed	<u>63,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,662</u>
Salaries and Wages - Professional	38,323	3,956	1,830	-	44,109
Payroll Taxes and Benefits	3,932	421	210	-	4,563
Total Personnel	<u>42,255</u>	<u>4,377</u>	<u>2,040</u>	<u>-</u>	<u>48,672</u>
Accounting and Pledge					
Processing Services	-	10,740	-	-	10,740
Professional Fees	-	6,500	-	-	6,500
Campaign Events and Supplies	-	-	4,004	-	4,004
Marketing and Advertising	304	36	18	-	358
Postage	537	63	32	-	632
Office Supplies	988	116	58	-	1,162
Office Rent - Note 7	2,040	240	120	-	2,400
Telephone and Utilities	4,347	511	256	-	5,114
Insurance	2,152	253	127	-	2,532
Conferences, Training and Meetings	611	51	103	-	765
Travel	597	70	35	-	702
Equipment Purchases	996	117	59	-	1,172
Grants					
4Community2	390	-	-	-	390
INvest1213	5,142	-	-	-	5,142
Special Event, Day of Caring	2,196	-	-	-	2,196
Youth Leadership	2,034	-	-	-	2,034
Charity Tracker	1,510	-	-	-	1,510
Dollars for Scholars	3,900	-	-	-	3,900
Disaster Relief	8,820	-	-	-	8,820
Building	1,681	198	99	-	1,978
Workman's Compensation	24	3	1	-	28
Interest	-	2,519	-	-	2,519
Local and State Affiliation Dues	427	50	25	-	502
Depreciation - Note 1	2,456	227	114	-	2,797
Miscellaneous	526	18	3	-	547
Subtotal	<u>83,933</u>	<u>26,089</u>	<u>7,094</u>	<u>-</u>	<u>117,116</u>
United Way of America - Dues	-	-	-	1,678	1,678
Totals	<u>\$ 147,595</u>	<u>\$ 26,089</u>	<u>\$ 7,094</u>	<u>\$ 1,678</u>	<u>\$ 182,456</u>

Jennings County United Way, Inc.
North Vernon, Indiana
Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014
(See Independent Auditor's Report)

	2015	2014
Cash Flows from Operating Activities		
Change in Net Assets	\$ (23,194)	\$ 71,700
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation Expense	3,759	2,797
Increase in Beneficial Asset Held by Foundation	(148)	(579)
Interest Income Added to Short-Term Investments - Certificates of Deposit	-	(19)
Loss on Valuation and Sale of Donated Stock	9	105
Donated Stock	(1,104)	(3,059)
(Increase) Decrease in Pledges Receivable - Net	47,635	(47,388)
(Increase) Decrease in Grant Receivable	39,150	(39,150)
(Increase) Decrease in Prepaid Expenses	(1,339)	(1,143)
Increase (Decrease) in Accounts Payable	(1,587)	(17,654)
Increase (Decrease) in Accrued Distributions	(19,250)	19,250
Increase (Decrease) in Accrued Wages and Vacation	(192)	276
Increase (Decrease) in Designations Payable - Net	<u>(1,055)</u>	<u>(1,506)</u>
Net Cash Provided by (Used in) Operating Activities	<u>42,684</u>	<u>(16,369)</u>
Cash Flows From Investing Activities		
Redemption of Short-Term Investments - Certificates of Deposit	-	25,217
Sale of Donated Stock	-	2,954
Purchase of Property and Equipment	-	<u>(31,914)</u>
Net Cash Used in Investing Activities	<u>-</u>	<u>(3,744)</u>
Cash Flows from Financing Activities		
Principal Payments on Mortgage Payable	<u>(4,417)</u>	<u>(2,281)</u>
Net Cash Used in Financing Activities	<u>(4,417)</u>	<u>(2,281)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	38,267	(22,394)
Cash and Cash Equivalents - Beginning of Year	<u>80,110</u>	<u>102,504</u>
Cash and Cash Equivalents - End of Year	\$ <u><u>118,377</u></u>	\$ <u><u>80,110</u></u>
Supplemental Cash Flow Information		
Cash Paid for Interest Expense	\$ <u><u>5,183</u></u>	\$ <u><u>2,519</u></u>
Supplemental Disclosure of Noncash Investing and Financing Activities		
Real Estate Purchased with Mortgage Payable	\$ <u><u>-</u></u>	\$ <u><u>120,000</u></u>

Jennings County United Way, Inc.
North Vernon, Indiana
Notes to Financial Statements
December 31, 2015 and 2014
(See Independent Auditor's Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES - Jennings County United Way, Inc. (the Organization), was formed in 1963 as a voluntary not-for-profit organization benefiting the Jennings County, Indiana community. The mission of the Organization is to provide vision and leadership in the community's pursuit of a rich and full quality of life for all people in Jennings County. The Organization is governed by a volunteer board of directors and solicits donations from the public in Jennings 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 three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted Net Assets: 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.

Temporarily Restricted Net Assets: Temporarily restricted net assets include resources expendable only for those purposes specified by the donor or grantor. The restrictions are satisfied either by the passage of time or by actions of the Organization.

Permanently Restricted Net Assets: Permanently restricted net assets include resources subject to donor imposed stipulations that are maintained permanently by the Organization.

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.

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 asset as follows:

Office Equipment	5 Years	
Building	40 Years	
	2015	2014
Depreciation Expense	\$ <u>3,759</u>	\$ <u>2,797</u>

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.

(Continued)

Jennings County United Way, Inc.
North Vernon, Indiana
Notes to Financial Statements
December 31, 2015 and 2014
(See Independent Auditor's Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 temporarily restricted or permanently restricted support that increases those net asset classifications.

When a donor stipulated time restriction ends or a purpose restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities as net assets released from restriction.

The majority of pledges receivable are received from a broad base of Jennings 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 pledges 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 consist of donated securities and are recorded at fair value.

The Organization's short-term 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.

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 payroll and other overhead costs have been allocated among the programs and supporting services based upon the distribution of staff time.

ADVERTISING - Advertising costs are expensed as incurred.

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

(Continued)

Jennings County United Way, Inc.
North Vernon, Indiana
Notes to Financial Statements
December 31, 2015 and 2014
(See Independent Auditor's Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IN-KIND CONTRIBUTIONS - During the years ended December 31, 2015 and 2014, the Organization has recorded the value of contributions meeting the requirements for recognition in the financial statements totaling \$12,837 and \$8,519, respectively. In-kind contributions are as follows:

	2015	2014
Advertising	\$ 4,696	\$ -
Charity Tracker	540	417
Building and Equipment Maintenance	7,601	-
Disaster	-	8,075
Day of Action	-	27
	\$ 12,837	\$ 8,519
Total In-Kind Contributions	\$ 12,837	\$ 8,519

CONTRIBUTED SERVICES - During the years ended December 31, 2015 and 2014, a substantial number of volunteers have contributed significant amounts of their time to the Organization and its fundraising 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.

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.

NOTE 2 - PROPERTY AND EQUIPMENT

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

	2015	2014
Furniture and Equipment	\$ 12,037	\$ 12,037
Building - See Note 6	94,507	94,507
Land - See Note 6	55,504	55,504
Less: Accumulated Depreciation	(13,738)	(9,979)
Total Property and Equipment - Net	\$ 148,310	\$ 152,069

NOTE 3 - INVESTMENTS

As of December 31, 2015, Short-Term Investments include donated marketable equity securities with a fair value of \$1,095.

Jennings County United Way, Inc.
North Vernon, Indiana
Notes to Financial Statements
December 31, 2015 and 2014
(See Independent Auditor's Report)

(Continued)

NOTE 3 - INVESTMENTS (continued)

Investment return is summarized below:

	2015	2014
Interest Income	\$ 25	\$ 98
Loss on Valuation and Sale of Donated Stock	<u>(9)</u>	<u>(105)</u>
Total Investment Income (Loss)	<u>\$ 16</u>	<u>\$ (7)</u>

NOTE 4 - BENEFICIAL INTEREST IN ASSETS HELD BY THE JENNINGS COUNTY COMMUNITY FOUNDATION

Since 2002, the Organization has made multiple transfers to the Jennings County Community Foundation (Foundation) into the Jennings County United Way, Inc. Agency Endowment Fund under a designated endowment agreement. Under this agreement, the Organization is specified as the beneficiary of the net earnings (net of expense) of the fund; however, the Foundation has retained variance authority of those funds. The beneficial interest reported as an asset represents the present value of the estimated future cash flows to be received discounted at 3.5% per annum. Any change in the value of the beneficial interest in the fund is reported as an increase or decrease in permanently restricted net assets. The beneficial interest in assets held by the Endowment is summarized as follows:

	2015	2014
Total Beneficial Interest in Jennings County Community Foundation	<u>\$ 23,985</u>	<u>\$ 23,837</u>

Change in endowment net assets for the years ended December 31, 2015 and 2014 is as follows:

	2015	2014
Beginning of Year	\$ 24,272	\$ 23,496
Investment Earnings (Includes Interest, Dividends, Realized and Unrealized Gains and Losses, Less Fees)	<u>(2,681)</u>	<u>776</u>
End of Year	<u>\$ 21,591</u>	<u>\$ 24,272</u>

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NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2015 and 2014 are available for the following purposes:

	2015	2014
Time Restriction	\$ 89,658	\$ 112,734
INvest1213	11,672	18,048
4Community2 Implementation	2,591	4,475
Work2Gether	<u>38,547</u>	<u>39,150</u>
Total	<u>\$ 142,468</u>	<u>\$ 174,408</u>

During the years ended December 31, 2015 and 2014, temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2015	2014
Time Restriction	\$ 112,734	\$ 95,633
INvest1213	6,402	5,142
4Community2 Implementation	1,884	1,324
Work2Gether	<u>604</u>	<u>-</u>
Total	<u>\$ 121,624</u>	<u>\$ 102,099</u>

NOTE 6 - MORTGAGE PAYABLE

At December 31, 2015 and 2014, the Organization is obligated on a mortgage note payable with Mainsouce Bank, totaling \$113,302 and \$117,719, respectively. Monthly mortgage payments of \$737 including interest at 4.10% are required. The mortgage matures in July, 2034 and the Organization's building and land serve as collateral. The net carrying amount of the Organization's building and land as of December 31, 2015 is \$148,645.

At December 31, 2015, future minimum mortgage payments are:

For the Years Ending December 31,		2016	\$	4,278
		2017		4,458
		2018		4,644
		2019		4,837
		2020		4,838
		Thereafter		<u>90,246</u>
			\$	<u>113,302</u>

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NOTE 7 - OPERATING LEASE

During the year ended December 31, 2014, the Organization leased office space in North Vernon, Indiana under a month to month lease agreement requiring monthly rental payments of \$400. The Organization quit leasing the office space in July, 2014 pursuant to its acquisition of its new headquarters. Rent expense was \$0 and \$2,400 for the years ended December 31, 2015 and 2014, respectively.

NOTE 8 - PENSION PLAN

The Organization has established a simple individual retirement account plan for all full-time employees. Eligible employees may defer a portion of their annual compensation up to the maximum allowable by law. The Organization matches up to 3% of employee contributions to the plan. The Organization's contributions were \$1,199 and \$1,214 for the years ended December 31, 2015 and 2014, respectively.

NOTE 9 - TEMPORARILY RESTRICTED NET ASSET CASH BALANCES

At December 31, 2015 and 2014, the cash and cash equivalent balance on the Statements of Financial Position includes temporarily restricted net assets totaling \$105,740 and \$49,751, respectively.

NOTE 10 - 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 the Jennings County United Way, Inc. and to serve on the Board of Directors of an affiliated organization which receives financial support from the Jennings County United Way, Inc.

NOTE 11 - CONCENTRATION OF CREDIT RISKS

At December 31, 2015, the Organization maintains several cash accounts at two financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC). At times, during the years ended December 31, 2015 and 2014, the balances in these accounts may have exceeded the maximum insurable amount of \$250,000. At December 31, 2015 and 2014, the Organization had no accounts in excess of the \$250,000. The Organization has not experienced any losses.

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NOTE 12 - DESCRIPTION OF MAJOR PROGRAM SERVICES

The Organization supports other not-for-profit agencies in Jennings County, Indiana serving four impact areas; Crisis, Education, Income and Health through distributions as well as managing multiple internal programs.

Charity Tracker - Jennings County Assistance Network - Streamlines client intake in a shared confidential database of community wide information and assistance to reduce duplication of services and stretch community resources and track outcomes. Partner agencies can make and track referrals to one another within the software and set shared client goals as well as track outcomes.

Financial Stability - A multifaceted program that promotes community change – creating lasting solutions to strengthen families financially, combat poverty and keep problems from happening in the first place. Programs include:

Bridges out of Poverty - Workshops for those in the business of helping people that equip our educators, social service providers, professionals, employers and community leaders to understand the diversity gap created by poverty and better assist those struggling to be successful.

Getting Ahead in a just gettin' by World - Classes that empower clients to write a new future story by completing an assessment and then creating their own plan to climb out of poverty using SMART goals.

Financial Peace University - Nine week class that inspires all families to live debt free and build wealth.

Circle of Hope Network - A network of support and encouragement for the families working toward goals to improve their situations.

Financial Stability Center - Creating a centralized place to help families focus on becoming stable and building resources.

Dollars for Scholars - Making it easier for area students to attend college. Between 15 to 30 United Way Dollars for Scholars Scholarships are awarded each year to help recognize academic achievement among a larger number of graduating seniors in Jennings County who have made the choice to pursue higher education.

Day of Caring - Providing volunteer service to the community. The community wide effort engages 500 to 650 caring and eager volunteers that complete 60 to 85 projects each year demonstrating "LIVE UNITED" in action. By joining hands to work together, the Organization increases the capacity to care for one another in a very tangible way. All this energy benefits the programs serving the Organization's community and improves the lives of its neighbors.

Work2Gether Grant - The Organization was awarded a Work2Gether Grant in August, 2014 totaling \$39,150 from the Indiana Association of United Ways. The grant can be used to improve financial stability in the Jennings County, Indiana community.

INvest1213 and INvest1213 Collaborative Grants - The Organization was awarded an INvest1213 Grant and INvest1213 Collaborative Grant in June, 2012 totaling \$25,850 and \$50,000, respectively, from the Indiana Association of United Ways. The INvest1213 Grant can be used for financial stability programs targeting education in Jennings County. The INvest1213 Collaborative Grant is to be used to implement the Invest1213 agenda with four Indiana counties each contributing \$3,125.

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NOTE 13 - CONCENTRATION OF CAMPAIGN PLEDGES

During the years ended December 31, 2015 and 2014, campaign pledges and general contributions were received from donors that exceeded ten percent of the Organization's total gross current year campaign donations and general contribution. The campaign and general contribution revenues and related receivable amounts for each donor exceeding ten percent as of December 31, 2015 and 2014 are as follows:

	2015	
	Campaign	Receivable
Local Foundation	\$ 33,588	\$ -
Local Manufacturer	15,552	14,371
Local School Corporation	13,710	13,310
Total Concentration of Campaign Pledges	\$ 62,850	\$ 27,681
	2014	
	Campaign	Receivable
Local Foundation	\$ 35,838	\$ 35,838
Local Manufacturer	20,014	16,172
Local School Corporation	18,328	17,828
Total Concentration of Campaign Pledges	\$ 74,180	\$ 69,838
General Contribution - Local Not for Profit	\$ 22,163	\$ -

NOTE 14 - 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 at fair value based upon similar investments with the same terms (Level 2). The beneficial interest in Jennings County Community Foundation is based upon a valuation model that calculates the present value of estimated future distributable income (Level 3).

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(Continued)

NOTE 14 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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

	2015		
	Level 1	Level 2	Level 3
Marketable Equity Securities	\$ 1,095	\$ -	\$ -
Beneficial Interest in Jennings County Community Foundation	-	-	23,985
	\$ 1,095	\$ -	\$ 23,985
	2014		
	Level 1	Level 2	Level 3
Beneficial Interest in Jennings County Community Foundation	\$ -	\$ -	\$ 23,837

The table below represents a reconciliation of activities reflected in the Statements of Activities of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2015 and 2014:

	2015	2014
Beginning of the Year	\$ 23,837	\$ 23,258
Change in Net Present Value of Beneficial Interest	148	579
End of Year	\$ 23,985	\$ 23,837

NOTE 15 - ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

The Organization has adopted guidelines in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes* as of January 1, 2009. 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, 2012 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, 2015 and 2014.

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NOTE 16 - SUBSEQUENT EVENTS

Management of the Organization has evaluated subsequent events through the report date of to be December 10, 2016.