

**FORSYTH JAIL AND PRISON MINISTRIES
AND SUBSIDIARY**

**INDEPENDENT AUDITOR'S REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

YEARS ENDED DECEMBER 31, 2019 AND 2018

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Forsyth Jail and Prison Ministries and subsidiary

We have audited the accompanying consolidated financial statements of Forsyth Jail and Prison Ministries (a nonprofit organization) and subsidiary, which comprise the consolidated statement of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Forsyth Jail and Prison Ministries and subsidiary as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Robert C. Morgan & Co., CPAs, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

January 14, 2021

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

| | <u>Dec. 31, 2019</u> | <u>Dec. 31, 2018</u> |
|-----------------------------------------|----------------------|----------------------|
| ASSETS: | | |
| Cash and cash equivalents | \$ 432,513 | \$ 472,840 |
| Cash-restricted | 48,472 | 37,455 |
| Account receivable | 13,467 | 2,183 |
| Prepaid expenses | 2,000 | 4,015 |
| Investments - certificates of deposit | 66,910 | 65,119 |
| Investments - other (Note 4) | 180,075 | 158,090 |
| Investments - restricted (Note 4) | 61,478 | 51,093 |
| Property and equipment, net | 6,210 | 47,723 |
| | | |
| TOTAL ASSETS | <u>\$ 811,125</u> | <u>\$ 838,518</u> |
| | | |
| LIABILITIES: | | |
| Accounts payable | \$ 3,670 | \$ 612 |
| Accrued expenses | 1,544 | 3,088 |
| Payroll taxes payable | 3,234 | 2,932 |
| Total liabilities | <u>8,448</u> | <u>6,632</u> |
| | | |
| NET ASSETS: | | |
| Without donor restrictions | 684,690 | 735,300 |
| With donor restrictions (Note 8) | 117,987 | 96,586 |
| Total net assets | <u>802,677</u> | <u>831,886</u> |
| | | |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 811,125</u> | <u>\$ 838,518</u> |

See accompanying notes and independent auditor's report.

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31, 2019 and 2018

| | <u>Year Ended</u> | |
|---------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| | <u>Dec. 31, 2019</u> | <u>Dec. 31, 2018</u> |
| CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS: | | |
| REVENUES, SUPPORT, GAINS, AND RECLASSIFICATIONS: | | |
| Churches | \$ 108,929 | \$ 117,850 |
| Individuals | 190,501 | 171,875 |
| Grants | 69,000 | 55,500 |
| Corporations | 44,151 | 7,422 |
| Civic organizations | 13,543 | 60,120 |
| Fundraising | 105,493 | 150,550 |
| Investment income (Note 4) | 27,135 | 3,946 |
| Other gains and miscellaneous income | 25,316 | 4,658 |
| | <hr/> | <hr/> |
| | 584,068 | 571,921 |
| Net assets released from restriction for program services | - | 32,774 |
| Total revenues, support, gains, and reclassifications without donor restrictions | <hr/> | <hr/> |
| | 584,068 | 604,695 |
| EXPENSES: | | |
| Program services | 623,630 | 570,734 |
| Management and general | 3,569 | 3,600 |
| Fundraising | 7,479 | 15,447 |
| Total expenses | <hr/> | <hr/> |
| | 634,678 | 589,781 |
| INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS | (50,610) | 14,914 |
| CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS: | | |
| Restricted contributions received | 11,016 | 2,539 |
| Investment income (loss) (Note 4) | 10,385 | (4,800) |
| Net assets released from restriction for program services | - | (32,774) |
| INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS | <hr/> 21,401 | <hr/> (35,035) |
| DECREASE IN NET ASSETS | <hr/> (29,209) | <hr/> (20,121) |
| NET ASSETS AT BEGINNING OF YEAR | 831,886 | 852,007 |
| NET ASSETS AT END OF YEAR | <hr/> <hr/> \$ 802,677 | <hr/> <hr/> \$ 831,886 |

See accompanying notes and independent auditor's report.

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

| | <u>SUPPORTING SERVICES</u> | | | <u>TOTAL</u> |
|----------------------------------|-----------------------------|-----------------------------------|--------------------------|-------------------|
| | <u>PROGRAM SERVICES</u> | <u>MANAGEMENT AND GENERAL</u> | <u>FUND- RAISING</u> | |
| Salaries and benefits | \$ 353,143 | \$ - | \$ - | \$ 353,143 |
| Payroll taxes | 7,356 | - | - | 7,356 |
| Supplies | 5,071 | - | - | 5,071 |
| Telephone | 7,419 | - | - | 7,419 |
| Postage and shipping | 3,200 | - | - | 3,200 |
| Travel | 4,758 | - | - | 4,758 |
| Conferences and meetings | 32,700 | - | - | 32,700 |
| Depreciation | 8,142 | - | - | 8,142 |
| Insurance | 38,314 | - | - | 38,314 |
| Designated expenditures | 151,185 | - | - | 151,185 |
| Professional services | - | 3,569 | - | 3,569 |
| Miscellaneous | - | - | 7,479 | 7,479 |
| Equipment repairs | 12,342 | - | - | 12,342 |
| Total functional expenses | <u>\$ 623,630</u> | <u>\$ 3,569</u> | <u>\$ 7,479</u> | <u>\$ 634,678</u> |

See accompanying notes and independent auditor's report.

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018

| | <u>SUPPORTING SERVICES</u> | | | <u>TOTAL</u> |
|----------------------------------|-----------------------------|-----------------------------------|--------------------------|--------------------------|
| | <u>PROGRAM SERVICES</u> | <u>MANAGEMENT AND GENERAL</u> | <u>FUND- RAISING</u> | |
| Salaries and benefits | \$ 353,945 | \$ - | \$ - | \$ 353,945 |
| Payroll taxes | 7,250 | - | - | 7,250 |
| Supplies | 4,841 | - | - | 4,841 |
| Telephone | 7,001 | - | - | 7,001 |
| Postage and shipping | 4,133 | - | - | 4,133 |
| Travel | 4,509 | - | - | 4,509 |
| Conferences and meetings | 20,291 | - | - | 20,291 |
| Depreciation | 15,115 | - | - | 15,115 |
| Insurance | 41,216 | - | - | 41,216 |
| Designated expenditures | 109,514 | - | - | 109,514 |
| Professional services | - | 3,600 | - | 3,600 |
| Miscellaneous | - | - | 15,447 | 15,447 |
| Equipment repairs | 2,919 | - | - | 2,919 |
| Total functional expenses | <u>\$ 570,734</u> | <u>\$ 3,600</u> | <u>\$ 15,447</u> | <u>\$ 589,781</u> |

See accompanying notes and independent auditor's report.

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018

| | <u>Year Ended</u> | |
|-----------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| | <u>Dec. 31, 2019</u> | <u>Dec. 31, 2018</u> |
| CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES: | | |
| Decrease in net assets | \$ (29,209) | \$ (20,121) |
| Adjustments to reconcile decrease in net assets to net cash used for operating activities: | | |
| Depreciation | 8,142 | 15,115 |
| Gain on sale of property and equipment | (7,630) | - |
| Increase in accounts receivable | (11,284) | (2,183) |
| (Increase) decrease in prepaid expenses | (2,015) | (813) |
| Increase (decrease) in accounts payable | 3,058 | (5,956) |
| Decrease in accrued expenses | (1,544) | - |
| Increase (decrease) in payroll taxes payable | 302 | (1,785) |
| Cash flows used for operating activities | <u>(40,180)</u> | <u>(15,743)</u> |
| CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES: | | |
| Redemptions (purchases) of investments | (30,130) | 17,499 |
| Sale of property and equipment | 41,000 | - |
| Cash flows from investing activities | <u>10,870</u> | <u>17,499</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | <u>(29,310)</u> | <u>1,756</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 510,295 | 508,539 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u><u>\$ 480,985</u></u> | <u><u>\$ 510,295</u></u> |

See accompanying notes and independent auditor's report.

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES.

Nature of Activities. Forsyth Jail and Prison Ministries (the Ministry) is a nonprofit organization incorporated under the laws of North Carolina. The Ministry was organized for the general purpose of ministering to incarcerated inmates in jails and prisons in Forsyth County, North Carolina and the surrounding area. In 2017, the Ministry organized a limited liability company, TTW TRANSPORTATION, LLC, for the purpose of providing transportation to and from work, for workers who have been incarcerated. The Ministry owns one-hundred percent (100%) of the membership interests in TTW TRANSPORTATION, LLC. The financial statements of Forsyth Jail and Prison Ministries have been prepared on a consolidated basis, and include its wholly-owned subsidiary TTW TRANSPORTATION, LLC.

Basis of Accounting. The consolidated financial statements of Forsyth Jail and Prison Ministries have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation. Consolidated financial statement presentation follows the standards of FASB ASC 958 which requires the Ministry to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Investments. Investments consist of certificates of deposit of varying maturities, a community foundation managed account, mutual funds, and marketable equity securities. Certificates of deposit are reported in the consolidated financial statements at adjusted cost (purchase price plus recorded interest), which approximates fair value. The community foundation managed account, mutual funds, and marketable equity securities are reported in the consolidated financial statements at fair value. Unrealized gains and losses on investments are included in the changes in net assets.

Cash and Cash Equivalents. For purposes of the consolidated statements of cash flows, the Ministry considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Use of Estimates. The preparation of consolidated financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Management's most significant estimates relate to lives and methods for depreciating property and equipment. Actual results could differ from those estimates.

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED).

Revenue and Support. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Expense Allocation. Directly identifiable expenses are charged to programs and supporting expenses. Expenses related to more than one function are charged to program 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 of the Organization.

Donated Services. The Ministry receives a significant amount of donated services from unpaid volunteers who provide administrative support and other unpaid services. No amounts for these services have been recognized in the statements of activities because the criteria for recognition under FASB ASC 958 have not been satisfied.

Income Tax Status. The Ministry is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Contributions to the Ministry qualify for the charitable contribution deduction under Section 170(b)(1)(A). The Ministry has been classified as an organization that is not a private foundation under Section 509(a)(c). The Ministry's Department of the Treasury information returns are subject to examination, generally for three years after the filing date. The Ministry's subsidiary, TTW TRANSPORTATION, LLC, is a disregarded entity for tax purposes.

NOTE 2: CASH AND RESTRICTED CASH.

At December 31, 2019 and 2018 cash and restricted cash consisted of the following:

| | <u>Dec. 31, 2019</u> | <u>Dec. 31, 2018</u> |
|------------------------------------------------|--------------------------|--------------------------|
| Cash | \$ 432,513 | \$ 472,840 |
| Cash restricted by donors for program services | 48,472 | 37,455 |
| Total cash and restricted cash | <u><u>\$ 480,985</u></u> | <u><u>\$ 510,295</u></u> |

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 3: CONCENTRATION OF CREDIT RISK.

The Organization's deposits in certain financial institutions at times exceeded the maximum amounts insured by the Federal Deposit Insurance Corporation (FDIC). Deposits in excess of the maximum insured amounts were \$204,556 and \$205,637 at December 31, 2019 and 2018, respectively. Management has deemed the risk with respect to any excess deposits to be minimal.

NOTE 4: INVESTMENTS AND FAIR VALUE MEASUREMENTS.

Investments consist of certificates of deposit of varying maturities, investments in a community foundation endowment account, mutual funds, and marketable equity securities.

The Winston-Salem Foundation holds the community foundation endowment account for the benefit of the Ministry. The Foundation has variance power in that disbursements to the Ministry may only be made for charitable purposes. Upon request and after review, disbursements are made from a designated grantable portion of the account. At December 31, 2019 and 2018, the grantable portion was \$30,219 and \$28,423, respectively.

The fair values of investments measured on a recurring basis at December 31, 2019, are as follows:

| | <u>Fair Value</u> | <u>Fair value measurements at reporting date using Quoted prices in active markets for identical assets (Level 1)</u> |
|----------------------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Community foundation endowment account | \$ 77,611 | \$ 77,611 |
| Marketable equity securities | 61,478 | 61,478 |
| Mutual funds | 102,464 | 102,464 |
| | <u>\$ 241,553</u> | <u>\$ 241,553</u> |

At December 31, 2019, investments are presented on the statement of financial position as follows:

| | |
|--------------------------|-------------------|
| Investments - other | \$ 180,075 |
| Investments - restricted | 61,478 |
| | <u>\$ 241,553</u> |

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 4: INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED).

The fair values of investments measured on a recurring basis at December 31, 2018, are as follows:

| | <u>Fair Value</u> | <u>Quoted prices in active markets for identical assets (Level 1)</u> |
|----------------------------------------|-------------------|-------------------------------------------------------------------------------------------|
| | <u>Fair Value</u> | <u>at reporting date using</u> |
| Community foundation endowment account | \$ 72,370 | \$ 72,370 |
| Marketable equity securities | 51,093 | 51,093 |
| Mutual funds | 85,720 | 85,720 |
| | <u>\$ 209,183</u> | <u>\$ 209,183</u> |

At December 31, 2017, investments are presented on the statement of financial position as follows:

| | |
|--------------------------|-------------------|
| Investments - other | \$ 158,090 |
| Investments - restricted | 51,093 |
| | <u>\$ 209,183</u> |

Certificates of deposit at year end were as follows:

| | <u>Dec. 31, 2019</u> | <u>Dec. 31, 2018</u> |
|-------------------------|---------------------------------------|---------------------------------------|
| | <u>Adjusted Cost (See Note 1)</u> | <u>Adjusted Cost (See Note 1)</u> |
| Certificates of deposit | <u>\$ 66,910</u> | <u>\$ 65,119</u> |

All certificates of deposit are specially designated by a Board of Directors resolution, which limits the use of these certificates until maturity.

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 4: INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED).

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2019:

| | Without Donor Restrictions | With Donor Restricted | Total |
|---------------------------------|-------------------------------|--------------------------|------------------|
| Interest and dividend income | \$ 6,463 | \$ 2,592 | \$ 9,055 |
| Realized gains on investments | 4,962 | - | 4,962 |
| Unrealized gains on investments | 15,710 | 7,793 | 23,503 |
| Investment income (loss) | \$ 27,135 | \$ 10,385 | \$ 37,520 |

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2018:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------|-------------------------------|----------------------------|-----------------|
| Interest and dividend income | \$ 3,893 | \$ 2,287 | \$ 6,180 |
| Realized gains on investments | 11,059 | - | 11,059 |
| Unrealized gains on investments | (11,006) | (7,087) | (18,093) |
| Investment income | \$ 3,946 | \$ (4,800) | \$ (854) |

NOTE 5: PROPERTY, EQUIPMENT AND DEPRECIATION.

Purchased property and equipment are stated at cost. Donated property is recorded at fair value at the date of its receipt. At disposal, an asset's cost and related accumulated depreciation are removed from the accounts, and any gain or loss is recorded in operations.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Acquisitions of property and equipment in excess of \$500 are capitalized.

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 5: PROPERTY, EQUIPMENT AND DEPRECIATION (CONTINUED).

A summary of property and equipment at year end is as follows:

| ASSET CLASS | <u>Dec. 31, 2019</u> | <u>Dec. 31, 2018</u> | <u>RANGE OF SERVICE LIVES</u> |
|------------------------------------|-------------------------------|--------------------------------|--------------------------------------|
| Leasehold Improvements | \$ 4,250 | \$ 4,250 | |
| Equipment | 46,499 | 46,499 | 10 Years |
| Playground equipment | 23,928 | 23,928 | 10 Years |
| Computers | 14,768 | 14,768 | 3-5 Years |
| Vehicle | - | 55,617 | |
| Depreciable assets | <u>89,445</u> | <u>145,062</u> | |
| Less accumulated depreciation | 83,235 | 97,339 | |
| Property and equipment, net | <u><u>\$ 6,210</u></u> | <u><u>\$ 47,723</u></u> | |

NOTE 6: LIQUIDITY AND AVAILABILITY.

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

| | <u>Dec. 31, 2019</u> | <u>Dec. 31, 2018</u> |
|-----------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Financial assets at year end | \$ 802,915 | \$ 786,780 |
| Less financial assets unavailable for general expenditures within one year, due to: | | |
| Donor-restricted cash to pay program distributions | 48,472 | 37,455 |
| Donor-restricted investments | 61,478 | 51,093 |
| Financial assets available to meet cash needs for general expenditures within one year | <u><u>\$ 692,965</u></u> | <u><u>\$ 698,232</u></u> |

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 6: LIQUIDITY AND AVAILABILITY (CONTINUED).

The Organization has \$692,965 of financial assets available within one year of the current statement of financial position date to meet cash needs for general expenditures, consisting of cash of \$432,513, accounts receivable of \$13,467, and unrestricted investments of \$246,985. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The Organization has a goal to maintain financial assets, which consist of cash, accounts receivable, and unrestricted investments on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$105,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE 7: NET ASSETS WITHOUT DONOR RESTRICTIONS.

At December 31, 2019 and 2018, by resolution of the Board of Directors, a portion of net assets without donor restrictions has been specially designated, as follows:

| | <u>Dec. 31, 2019</u> | <u>Dec. 31, 2018</u> |
|----------------------------------------------------------------------|----------------------|----------------------|
| Investment in certificates of deposit time restricted until maturity | \$ 66,910 | \$ 65,119 |
| Undesignated | <u>617,780</u> | <u>670,181</u> |
| Total net assets without donor restrictions | <u>\$ 684,690</u> | <u>\$ 735,300</u> |

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS.

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

| | Dec. 31, 2019 | Dec. 31, 2018 |
|---------------------------------------------------------------------------|----------------------|----------------------|
| Restricted for Chair Fund | \$ 542 | \$ 542 |
| Restricted for Cherry Street Ensemble | 550 | 550 |
| Restricted for Christmas Fund | 350 | - |
| Restricted for Community Resource Council | 3,493 | 2,633 |
| Restricted for Ex-Offender Fund | 5,000 | - |
| Restricted for Inmate Needs purposes | 246 | - |
| Restricted for Miscellaneous needs | 2,273 | 443 |
| Restricted for Retreat needs | 100 | - |
| Restricted for Seven Step Program | 11,054 | 11,054 |
| Restricted for Greenlaw Fund purposes | 18,402 | 15,578 |
| Restricted for Special Equipment Fund | 2,655 | 2,655 |
| Restricted for Stilwell Fund purposes | 43,076 | 35,515 |
| Restricted for Plan to Prosper Fund | 1,500 | 1,500 |
| Restricted for Stones for Chapel | 1,000 | 1,000 |
| Restricted for Transition 2 Work | 17,550 | 16,150 |
| Restricted for Yokefellows | 2,158 | 928 |
| Restricted for Winston-Salem Foundation, Inc. matching Endowment Grant | 8,038 | 8,038 |
| Total net assets with donor restrictions | \$ 117,987 | \$ 96,586 |

At December 31, 2019 and 2018, net assets with donor restrictions consisted of a matching endowment grant of \$8,038 from the Winston-Salem Foundation, Inc. (the Foundation). This grant comprises a portion of the Organization's endowment account held by the Foundation, as described in Note 2. The grant is restricted for charitable purposes and may not be refunded in the event the Organization decides to terminate its account with the Foundation.

FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 9: SUBSEQUENT EVENTS.

The Ministry has evaluated subsequent events through January 14, 2021, the date the financial statements were available to be issued.