

**FORSYTH JAIL AND PRISON MINISTRIES  
AND SUBSIDIARY**

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

**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY**

**TABLE OF CONTENTS**

	<b>PAGE NO.</b>
<b>INDEPENDENT AUDITOR'S REPORT.....</b>	<b>1</b>
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
<b>Consolidated statements of financial position.....</b>	<b>3</b>
<b>Consolidated statements of activities.....</b>	<b>4</b>
<b>Consolidated statements of functional expenses.....</b>	<b>5 - 6</b>
<b>Consolidated statements of cash flows.....</b>	<b>7</b>
<b>Notes to consolidated financial statements.....</b>	<b>8</b>

**ROBERT C. MORGAN & COMPANY, CPA's, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

8064 NORTH POINT BOULEVARD - SUITE 104

WINSTON-SALEM, NORTH CAROLINA 27106

**INDEPENDENT AUDITOR'S REPORT**

Officers and Directors  
Forsyth Jail and Prison Ministries and subsidiary

**Opinion**

We have audited the accompanying consolidated financial statements of Forsyth Jail and Prison Ministries (a nonprofit organization) and subsidiary, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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, 2020 and 2019, and the changes in their net assets and their 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 audit 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 Consolidated Financial Statements section of our report. We are required to be independent of Forsyth Jail and Prison Ministries 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.

**Responsibility of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Forsyth Jail and Prison Ministries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 Forsyth Jail and Prison Ministries and subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Forsyth Jail and Prison Ministries and subsidiary'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.

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

**CERTIFIED PUBLIC ACCOUNTANTS**

January 18, 2022

**FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**December 31, 2020 and 2019**

	<u><b>Dec. 31, 2020</b></u>	<u><b>Dec. 31, 2019</b></u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 677,111	\$ 432,513
Cash - restricted	51,450	48,472
Account receivable	10,817	13,467
Prepaid expenses	2,000	2,000
Investments - certificates of deposit	68,192	66,910
Investments - other	190,761	180,075
Investments - restricted	63,141	61,478
Property and equipment, net	3,877	6,210
 <b>TOTAL ASSETS</b>	 <u><u><b>\$ 1,067,349</b></u></u>	 <u><u><b>\$ 811,125</b></u></u>
 <b>LIABILITIES:</b>		
Current portion of long-term debt	\$ 10,352	\$ -
Accounts payable	1,623	3,670
Accrued expenses	2,556	1,544
Payroll taxes payable	29	3,234
Long-term debt, net of current portion	73,196	-
<b>Total liabilities</b>	<u>87,756</u>	<u>8,448</u>
 <b>NET ASSETS:</b>		
Without donor restrictions	856,964	684,690
With donor restrictions	122,629	117,987
<b>Total net assets</b>	<u>979,593</u>	<u>802,677</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u><b>\$ 1,067,349</b></u></u>	 <u><u><b>\$ 811,125</b></u></u>

**See accompanying notes and independent auditor's report.**

**FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2020 and 2019**

	<u>Year Ended</u>	
	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
<b>REVENUES, SUPPORT AND GAINS:</b>		
Churches	\$ 139,900	\$ 108,929
Individuals	175,885	190,501
Grants	40,500	69,000
Corporations	44,036	44,151
Civic organizations	12,267	13,543
Fundraising	140,737	105,493
Investment income	13,202	27,135
Other gains and miscellaneous income	54,433	25,316
<b>Total revenues, support and gains without donor restrictions</b>	<b>620,960</b>	<b>584,068</b>
<b>EXPENSES:</b>		
Program services	424,283	623,630
Management and general	9,805	3,569
Fundraising	14,598	7,479
<b>Total expenses</b>	<b>448,686</b>	<b>634,678</b>
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>172,274</b>	<b>(50,610)</b>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Restricted contributions received	2,997	11,016
Investment income	1,645	10,385
<b>Increase in net assets with donor restrictions</b>	<b>4,642</b>	<b>21,401</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>176,916</b>	<b>(29,209)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>802,677</b>	<b>831,886</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 979,593</b>	<b>\$ 802,677</b>

See accompanying notes and independent auditor's report.

**FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended December 31, 2020**

	<u>SUPPORTING SERVICES</u>			<u>TOTAL</u>
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND- RAISING</u>	
Salaries and benefits	\$ 302,289	\$ -	\$ -	\$ 302,289
Payroll taxes	7,436	-	-	7,436
Supplies	2,422	-	-	2,422
Telephone	6,114	-	-	6,114
Postage and shipping	7,276	-	-	7,276
Travel	3,259	-	-	3,259
Conferences and meetings	(3,426)	-	-	(3,426)
Depreciation	2,334	-	-	2,334
Insurance	25,956	-	-	25,956
Designated expenditures	67,953	-	-	67,953
Professional services	-	9,805	-	9,805
Miscellaneous	-	-	14,598	14,598
Equipment repairs	2,670	-	-	2,670
<b>Total functional expenses</b>	<u>\$ 424,283</u>	<u>\$ 9,805</u>	<u>\$ 14,598</u>	<u>\$ 448,686</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, 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
<b>Total functional expenses</b>	<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 STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2020 and 2019**

	<u>Year Ended</u>	
	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
<b>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ 176,916	\$ (29,209)
Adjustments to reconcile increase (decrease) in net assets to net cash used for operating activities:		
Depreciation	2,334	8,142
Gain on sale of property and equipment	(4,659)	(7,630)
(Increase) decrease in accounts receivable	2,650	(11,284)
Increase in prepaid expenses	-	(2,015)
Increase (decrease) in accounts payable	(2,047)	3,058
Increase (decrease) in accrued expenses	1,012	(1,544)
Increase (decrease) in payroll taxes payable	(3,205)	302
<b>Cash flows from (used for) operating activities</b>	<b>173,001</b>	<b>(40,180)</b>
<b>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</b>		
Purchases of investments	(8,973)	(30,130)
Sale of property and equipment	-	41,000
<b>Cash flows from (used for) investing activities</b>	<b>(8,973)</b>	<b>10,870</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from long-term debt	83,548	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>247,576</b>	<b>(29,310)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	480,985	510,295
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 728,561</b>	<b>\$ 480,985</b>

See accompanying notes and independent auditor's report.

## FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020 and 2019

#### 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 recently released from incarceration. The Ministry owns one-hundred percent 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 and subsidiary 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, 2020 and 2019**

**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 Ministry.

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, 2020 and 2019 cash and restricted cash consisted of the following:

	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
Cash	\$ 677,111	\$ 432,513
Cash restricted by donors for program services	51,450	48,472
<b>Total cash and restricted cash</b>	<u>\$ 728,561</u>	<u>\$ 480,985</u>

**FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2020 and 2019**

**NOTE 3: CONCENTRATION OF CREDIT RISK.**

The Ministry'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 \$370,323 and \$204,556 at December 31, 2020 and 2019, 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, 2020 and 2019, the grantable portion was \$32,047 and \$30,219, respectively.

Certificates of deposit at year end were as follows:

	<u><b>Dec. 31, 2020</b></u>	<u><b>Dec. 31, 2019</b></u>
	Adjusted Cost (See Note 1)	Adjusted Cost (See Note 1)
<b>Certificates of deposit</b>	<u><u>\$ 68,192</u></u>	<u><u>\$ 66,910</u></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, 2020 and 2019**

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

The fair values of investments measured on a recurring basis at December 31, 2020, are as follows:

	<u>Fair Value</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>
		<b><u>Fair value measurements at reporting date using</u></b>
Community foundation endowment account	\$ 80,037	\$ 80,037
Marketable equity securities	63,141	63,141
Mutual funds	110,724	110,724
<b>Total</b>	<b><u>\$ 253,902</u></b>	<b><u>\$ 253,902</u></b>

At December 31, 2020, investments are presented on the statement of financial position as follows:

Investments - other	\$ 190,761
Investments - restricted	63,141
<b>Total</b>	<b><u>\$ 253,902</u></b>

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

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

**FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2020 and 2019**

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

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

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

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2020:

	<b>Without Donor Restrictions</b>	<b>With Donor Restricted</b>	<b>Total</b>
Interest and dividend income	\$ 4,081	\$ 1,728	\$ 5,809
Realized gains on investments	4,544	-	4,544
Unrealized gains (losses) on investments	4,577	(83)	4,494
<b>Investment income</b>	<u><u>\$ 13,202</u></u>	<u><u>\$ 1,645</u></u>	<u><u>\$ 14,847</u></u>

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

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
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
<b>Investment income</b>	<u><u>\$ 27,135</u></u>	<u><u>\$ 10,385</u></u>	<u><u>\$ 37,520</u></u>

**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, 2020 and 2019**

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

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

	<b>RANGE OF SERVICE LIVES</b>	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Leasehold Improvements		\$ 4,250	\$ 4,250
Equipment	10 Years	46,499	46,499
Playground equipment	10 Years	23,928	23,928
Computers	3-5 Years	14,768	14,768
Depreciable assets		89,445	89,445
Less accumulated depreciation		85,567	83,235
<b>Property and equipment, net</b>		<b>\$ 3,878</b>	<b>\$ 6,210</b>

**NOTE 6: LONG-TERM DEBT.**

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Long-term debt consisted of the following:		
Paycheck Protection Program note payable to Truist Bank. The note bears interest at the rate of 1% per annum. Payments of principal and interest are due beginning October 4, 2021. The note is unsecured and matures on October 4, 2023.	\$ 83,548	\$ -
Less current portion	10,352	-
<b>Long-term debt, net of current portion</b>	<b>\$ 73,196</b>	<b>\$ -</b>

Maturities of long-term debt are as follows:

<b>YEAR ENDING</b>	
<b>Dec. 31</b>	
2021	\$ 10,352
2022	41,669
2023	31,527
	<b>\$ 83,548</b>

**FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2020 and 2019**

**NOTE 7: LIQUIDITY AND AVAILABILITY.**

The following reflects the Ministry'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.

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Financial assets at year end	\$ 1,061,472	\$ 802,915
Less financial assets unavailable for general expenditures within one year:		
Donor-restricted cash to pay program distributions	51,450	48,472
Donor-restricted investments	63,141	61,478
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b>\$ 946,881</b>	<b>\$ 692,965</b>

The Ministry has \$946,881 of unrestricted 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 \$677,111, accounts receivable of \$10,817, and unrestricted investments of \$258,953. The Ministry has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$75,000. The Ministry has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

**NOTE 8: NET ASSETS WITHOUT DONOR RESTRICTIONS.**

At December 31, 2020 and 2019, by resolution of the Board of Directors, a portion of net assets without donor restrictions has been specially designated, as follows:

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Investment in certificates of deposit time restricted until maturity	\$ 68,192	\$ 66,910
Undesignated	788,772	617,780
<b>Total net assets without donor restrictions</b>	<b>\$ 856,964</b>	<b>\$ 684,690</b>

**FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2020 and 2019**

**NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS.**

Net assets with donor restrictions were available for the following purposes at December 31, 2020 and 2019:

	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2019</b>
Restricted for Breakfast Fund	\$ 550	\$ -
Restricted for Chair Fund	542	542
Restricted for Cherry Street Ensemble	550	550
Restricted for Christmas Fund	2,950	350
Restricted for Community Resource Council	3,088	3,493
Restricted for Ex-Offender Fund	5,000	5,000
Restricted for Inmate Needs purposes	350	246
Restricted for Miscellaneous needs	2,273	2,273
Restricted for Retreat needs	100	100
Restricted for Seven Step Program	11,054	11,054
Restricted for Potters Hand	130	-
Restricted for Greenlaw Fund purposes	18,419	18,402
Restricted for Special Equipment Fund	2,655	2,655
Restricted for Stilwell Fund purposes	44,722	43,076
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	17,550
Restricted for Yokefellows	2,158	2,158
Restricted for Winston-Salem Foundation, Inc. matching Endowment Grant	8,038	8,038
<b>Total net assets with donor restrictions</b>	<b>\$ 122,629</b>	<b>\$ 117,987</b>

At December 31, 2020 and 2019, 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 Ministry'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 Ministry decides to terminate its account with the Foundation.

**FORSYTH JAIL AND PRISON MINISTRIES AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2020 and 2019**

**NOTE 10: NEW ACCOUNTING PRONOUNCEMENT.**

On January 1, 2020, the Ministry adopted the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, codified as FASB ASC 606. The standard's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenues and cash flows arising from the Ministry's contracts with customers.

The Ministry has analyzed the provisions of FASB ASC 606, *Revenue from Contracts with Customers*, and has concluded no changes are necessary to conform with the standard. The Ministry's revenue contains multiple performance obligations. Allocation of the contract price is impractical to allocate to each performance obligation, therefore revenue is recognized at a single point in time when ownership, risks and rewards transfer, generally at the time contributions or grants are received.

**NOTE 11: SUBSEQUENT EVENTS.**

The Ministry has evaluated subsequent events through January 18, 2022, the date the financial statements were available to be issued.