

**NATIONAL SISTERHOOD UNITED  
FOR JOURNEYMEN LINEMEN**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**

# **NATIONAL SISTERHOOD UNITED FOR JOURNEYMEN LINEMEN**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
National Sisterhood United for Journeymen Linemen  
White Haven, PA 18661

We have audited the accompanying financial statements of National Sisterhood United for Journeymen Linemen (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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 National Sisterhood United for Journeymen Linemen as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Prior Period Financial Statements**

The 2019 financial statements were reviewed by us, and our report thereon, dated November 13, 2020 stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

*Hall-Mihalow Straub & Co.*

Forty Fort, Pennsylvania

November 9, 2021

# NATIONAL SISTERHOOD UNITED FOR JOURNEYMEN LINEMEN

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2020 AND 2019

	<u>Audited 2020</u>	<u>Unaudited 2019</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 498,213	\$ 166,792
Receivables	<u>-</u>	<u>4,500</u>
Total Current Assets	498,213	171,292
Long-Term Assets:		
Land	58,600	-
Property and equipment	111,252	24,794
Engineering and architecture fees	14,500	-
Less: Accumulated amortization and depreciation	<u>(7,988)</u>	<u>(3,860)</u>
Total Long-Term Assets	<u>176,364</u>	<u>20,934</u>
Total Assets	<u><u>\$ 674,577</u></u>	<u><u>\$ 192,226</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Other current liabilities	\$ 6,490	\$ 15,076
Accrued wages	<u>521</u>	<u>8,611</u>
Total Current Liabilities	<u>7,011</u>	<u>23,687</u>
Long-Term Liabilities		
Paycheck Protection Program advance	24,972	-
Economic Injury Disaster loan	<u>149,900</u>	<u>-</u>
Total Long-Term Liabilities	<u>174,872</u>	<u>-</u>
Total Liabilities	<u>181,883</u>	<u>23,687</u>
Net Assets:		
Without donor restrictions	224,565	168,539
With donor restrictions	<u>268,129</u>	<u>-</u>
Total Net Assets	<u>492,694</u>	<u>168,539</u>
Total Liabilities and Net Assets	<u><u>\$ 674,577</u></u>	<u><u>\$ 192,226</u></u>

See Independent Auditor's Report and Notes to Financial Statements

# NATIONAL SISTERHOOD UNITED FOR JOURNEYMEN LINEMEN

## STATEMENTS OF ACTIVITIES -- AUDITED FOR THE YEAR DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities			
Support and Revenues:			
Contributions	\$ 110,993	423,559	\$ 534,552
Fundraising	93,323	-	93,323
Memberships	31,100	-	31,100
Program revenue	8,584	-	8,584
Interest	15	-	15
Assets released from restriction	155,430	(155,430)	-
Total Support and Revenues	<u>399,445</u>	<u>268,129</u>	<u>667,574</u>
Expenses:			
Program services	237,232	-	237,232
Management and general	69,568	-	69,568
Fundraising	36,619	-	36,619
Total Expenses	<u>343,419</u>	<u>-</u>	<u>343,419</u>
Change in net assets	56,026	268,129	324,155
Net assets, beginning of the year	<u>168,539</u>	<u>-</u>	<u>168,539</u>
Net assets, ending of the year	<u><u>\$ 224,565</u></u>	<u><u>\$ 268,129</u></u>	<u><u>\$ 492,694</u></u>

See Independent Auditor's Report and Notes to Financial Statements

# NATIONAL SISTERHOOD UNITED FOR JOURNEYMEN LINEMEN

## STATEMENTS OF ACTIVITIES – UNAUDITED FOR THE YEAR DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities			
Support and Revenues:			
Contributions	\$ 268,405	-	\$ 268,405
Fundraising	123,999	-	123,999
Memberships	59,853	-	59,853
Program revenue	37,407	-	37,407
Interest	27	-	27
	<u>489,691</u>	<u>-</u>	<u>489,691</u>
Total Support and Revenues			
Expenses:			
Program services	291,766	-	291,766
Management and general	69,647	-	69,647
Fundraising	120,870	-	120,870
	<u>482,283</u>	<u>-</u>	<u>482,283</u>
Total Expenses			
Change in net assets	7,408	-	7,408
Net assets, beginning of the year	<u>161,131</u>	<u>-</u>	<u>161,131</u>
Net assets, ending of the year	<u>\$ 168,539</u>	<u>-</u>	<u>\$ 168,539</u>

See Independent Auditor's Report and Notes to Financial Statements

# NATIONAL SISTERHOOD UNITED FOR JOURNEYMEN LINEMEN

## STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<b>Audited</b> <b>2020</b>	<b>Unaudited</b> <b>2019</b>
<b>Program services:</b>		
Salaries and wages	\$ 91,638	\$ 104,852
Contributions, grants	88,797	117,024
Payroll benefits	18,612	1,871
Postage	12,463	10,855
Payroll taxes	9,903	8,563
Office expense	7,739	7,313
Utilities	4,866	4,927
Insurance	2,357	1,493
Rent	756	7,175
Program expense	101	26,523
Subcontractors	-	1,170
	<u>237,232</u>	<u>291,766</u>
<b>Management and general:</b>		
Legal & professional services	19,026	20,371
Office expense	18,058	17,066
Salaries and wages	10,183	11,650
Bad debt	6,000	-
Amortization and depreciation	4,128	1,162
Bank charges	3,731	3,503
Utilities	2,085	2,111
Payroll benefits	2,068	208
Postage	1,385	1,206
Payroll taxes	1,100	951
Insurance	1,010	640
Rent	325	3,075
Travel	269	7,360
Licenses	200	90
Repairs and maintenance	-	69
Training	-	185
	<u>69,568</u>	<u>69,647</u>
<b>Fundraising expenses:</b>		
Rodeo and CFLL expense	20,037	49,421
Promotional items for fundraising events	9,513	29,283
Fundraising merchandise	4,261	36,359
Advertising for fundraising events	2,808	5,807
	<u>36,619</u>	<u>120,870</u>
<b>Total Expenses:</b>	<u><u>\$ 343,419</u></u>	<u><u>\$ 482,283</u></u>

See Independent Auditor's Report and Notes to Financial Statements



# NATIONAL SISTERHOOD UNITED FOR JOURNEYMEN LINEMEN

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Audited</u> 2020	<u>Unaudited</u> 2019
Cash Flows From Operating Activities:		
Increase/(Decrease) in net assets	\$ 324,155	\$ 7,408
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	4,128	1,162
(Increase) decrease in receivables	4,500	(4,500)
Increase (decrease) in current liabilities	(8,586)	10,916
Increase (decrease) in accrued wages	(8,090)	8,611
Net cash provided by operating activities	<u>316,107</u>	<u>23,597</u>
Cash Flows From Investing Activities:		
Purchase of leasehold improvements	(86,458)	(21,309)
Purchase of land	(58,600)	-
Purchase of engineering and architectural services	(14,500)	-
Net cash (used in) investing activities	<u>(159,558)</u>	<u>(21,309)</u>
Cash Flows From Financing Activities:		
Receipt of funding from Paycheck Protection Program advance	24,972	-
Receipt of funding from Economic Injury Disaster loan	149,900	-
Net cash provided by financing activities	174,872	
Net increase in cash	331,421	2,288
Cash, beginning	<u>166,792</u>	<u>164,504</u>
Cash, ending	<u><u>\$ 498,213</u></u>	<u><u>\$ 166,792</u></u>

See Independent Auditor's Report and Notes to Financial Statements

**NATIONAL SISTERHOOD UNITED  
FOR JOURNEYMEN LINEMEN**

NOTES TO FINANCIAL STATEMENTS  
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES**

**Organization**

The National Sisterhood United for Journeymen Linemen (the organization) is a not-for-profit Organization incorporated under the laws of the Commonwealth of Pennsylvania. The Organization is operated under a board of volunteer directors which employs a small staff to manage the operations. The Organization provides the members of National Sisterhood United for Journeymen Linemen with support, materials, and financial resources upon tragic accidents. The Organization serves as an information center for families of members who are injured or deceased on the job.

**Basis of Presentation**

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 which was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be extended for any purpose in performing the primary objectives of the Organization. The Organization board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: net assets are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

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NOTES TO FINANCIAL STATEMENTS  
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)**

Use of 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.

Property and Equipment

It is the Organization's policy to capitalize leasehold improvements, furnishings and equipment over \$1,000. Leasehold improvements, furnishings, and equipment purchases are recorded at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets (from 5 to 39 years). Depreciation and amortization was \$4,128 in 2020 and \$1,162 in 2019.

Accounting for Contributions

On June 21, 2018, the Financial Accounting Standards Board (FASB) released Accounting Standards Update (ASU) 2018-08, Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made. The organization follows the guidance of ASU 2018-08.

All contributions are considered to be net assets without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions or net assets held in perpetuity support that increases those net asset classes. Unconditional promises to give, which do not state a due date, are presumed to be time-restricted by the donor until received and are reported as temporarily restricted net assets.

A donor restriction expires when a stipulated time restriction ends, when an unconditional promise with an implied time restriction is collected, or when a purpose restriction is accomplished. Upon expiration, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. The organization has no restricted contributions.

Accounts Receivable

Accounts receivable consist primarily of contributions expected and are stated at the amount management expects to receive. Management of the Organization has estimated the amount uncollectible based on historical data with the contributor and the time period outstanding. Amounts are written off as bad debt when deemed uncollectible by management.

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NOTES TO FINANCIAL STATEMENTS  
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)**

Tax Exempt Status

The Organization has been recognized as exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and similar state statutes. The Organization has open unexamined tax years from 2018 to 2020.

Expense Allocations

Expenses incurred to directly carry out program activities are allocated to the applicable programs on a specific identification basis. Certain other indirect expenses are allocated to the program based upon appropriate factors, which include time and effort for benefits and salaries, and a percentage of time and effort for occupancy and supplies.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising was \$2,808 in 2020 and \$5,807 in 2019, respectively.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

New Accounting Pronouncements

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

In 2018, the FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made which applies to all entities that receive or make contributions. ASU 2018-08 requires that an entity determine whether or not a contribution is conditional on the basis of whether or not the underlying agreement includes (1) a "barrier" that must be overcome, AND (2) either a right of return of the assets transferred or a right of release of the donor's

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NOTES TO FINANCIAL STATEMENTS  
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (Continued)**

obligation to transfer assets. The presence of both of these elements would represent a condition for the contribution.

If a contribution has been deemed to be unconditional, the entity should then consider whether the contribution is restricted on the basis of the existing definition of the term “donor-imposed restriction.” The definition of a donor-imposed restriction includes a consideration of how broad or how narrow the purpose of the agreement is, and whether the resources are available for use only after a specified date.

For federal and other governmental grants, the ASU clarifies the definition of an exchange transaction. As a result, most non-profit entities will account for federal and governmental grants as donor restricted conditional contributions rather than exchange transactions. A simultaneous release option if elected would allow reporting without donor restrictions if used within the reporting period. For transactions where the entity serves as a resource recipient, the entity should apply the amendments beginning after December 15, 2018. All other entities should apply the ASU for transactions in which the entity serves as the resource provider to annual periods beginning after December 15, 2019.

Accounting Standards Update (ASU) No. 2016-02, will require organizations that lease assets – or lessees – to recognize assets and liabilities on their balance sheets for leases with lease terms of more than 12 months. For non-public calendar year-end companies, this means an adoption date of Jan. 1, 2021, and retroactive application to previously issued annual financial statements for 2021 and 2020. The Organization has not implemented this standard and is evaluating the standard for future application.

ASU 2014-09 Revenue from Contracts with Customers has been released with an implementation date of December 15, 2020. The new revenue recognition affects any reporting organization that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets, unless those contracts are within the scope of other standards, for reporting periods beginning after December 15, 2020, and interim and annual reporting periods after those reporting periods. The Organization has not implemented this standard and is evaluating grants and contracts for the effect of this standard.

**NATIONAL SISTERHOOD UNITED  
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NOTES TO FINANCIAL STATEMENTS  
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 2 – PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Leasehold Improvements	\$ 18,990	\$ 18,990
Property and equipment	92,262	5,804
Engineering and architecture fees	14,500	-
	<u>125,752</u>	<u>24,794</u>
Accumulated depreciation/amortization	(7,988)	(3,860)
	\$ <u>117,764</u>	\$ <u>20,934</u>
Land	58,600	-
	<u>176,364</u>	<u>20,934</u>

In March 2020 the Organization purchased 11 acres of vacant land in Freeland, Pennsylvania for the purpose of building their corporate office, building the Legacy for Lineworkers memorial, and to hold fundraising events.

**NOTE 3 – NET ASSETS**

Net assets released from restriction was \$155,430, which was all for the purchase of land and subsequent improvements to land. The remaining restricted assets of \$268,129 are held for capital improvements as of December 31, 2020

**NOTE 4 - LIQUIDITY AND AVAILABILITY**

Total Financial Assets at year-end:	2020	2019
Cash	\$ 498,213	\$ 166,791
Receivables	-	4,500
Total Financial Assets at year end available to meet cash needs for general expenditures within one year	<u>\$ 498,213</u>	<u>\$ 171,291</u>

The Organization manages its liquidity and reserves following the principles of operating within a prudent budget, maintaining adequate liquid assets to fund operating needs and maintain sufficient reserves to provide a reasonable assurance of meeting long term obligations.

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FOR JOURNEYMEN LINEMEN**

**NOTES TO FINANCIAL STATEMENTS  
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 5 - RECLASSIFICATION**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented; the reclassifications had no impact on previously reported net assets and were made to expand the audited financial statements. The reclassifications impacted expense categories only.

**NOTE 6 – PPP LOAN AND EIDL LOAN**

During April 2020, the Organization was the recipient of a Paycheck Protection Program Loan under the CARES Act from Intuit Financing Inc. in the amount of \$24,972. The loan was fully forgiven in August 2021. The loan was included as a liability for the organization as of December 31, 2020.

During May 2020, the Organization was the recipient of a Economic Injury Disaster Loan from the Small Business Administration in the amount of \$150,000. Interest will accrue at the rate of 2.75% per annum. The balance of principal and interest will be payable thirty years from the date of the promissory Note.

**NOTE 7 – IMPLICATIONS OF COVID-19**

During 2020 and 2021 a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. The negative events in the financial markets as well as the general economic conditions It is anticipated that Organization contribution and special event revenue will fluctuate as well due to the economic impact. Due to the implications of COVID-19 and state and local government health mitigation regulations, the Organization was forced to cancel major fundraising events during 2020. Additionally, due to staff shortages as a result of the economic conditions, the Organization could not complete their calendar fundraiser during the year 2020. The Organization has evaluated the impact and does not feel it would affect its ability to continue serving its mission in the near future unless due to an additional government shutdown.

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**NOTES TO FINANCIAL STATEMENTS  
FOR YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 8 – SUBSEQUENT EVENTS**

FASB ASC Topic 855, requires the disclosure of the date through which the Organization has evaluated its subsequent events and the basis for that date. The Organization has evaluated its subsequent events through November 9, 2021, the date these financial statements were available to be issued.

During February 2021, the Organization was the recipient of a second Paycheck Protection Program Loan under the CARES Act from Wells Fargo Bank, National Association in the amount of \$25,985. The loan was not forgiven at the time of when the financial statements were available to be issued.

During August 2021, the Organization signed a new lease for 950 square feet of office space at 534 Centre Street in Freeland, Pennsylvania commencing in the same month. The lease has a one year term, and rental costs of approximately \$2,000 per month.