

UNITED WAY OF SOUTHEAST MISSOURI, INC.
Cape Girardeau, Missouri

FINANCIAL STATEMENTS

Year Ended June 30, 2021

UNITED WAY OF SOUTHEAST MISSOURI, INC.

June 30, 2021

UNITED WAY OF SOUTHEAST MISSOURI, INC.
Cape Girardeau, Missouri

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Southeast Missouri, Inc.
Cape Girardeau, Missouri

We have audited the accompanying financial statements of United Way of Southeast Missouri, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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 audit 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 United Way of Southeast Missouri, Inc. as of June 30, 2021, 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.

Yours truly,

A handwritten signature in cursive script that reads "Hillin and Company, PC".

HILLIN AND COMPANY, PC

Cape Girardeau, Missouri
May 11, 2022

UNITED WAY OF SOUTHEAST MISSOURI, INC.
Cape Girardeau, Missouri

STATEMENT OF FINANCIAL POSITION

June 30, 2021

<u>ASSETS</u>		
<u>CURRENT ASSETS:</u>		
Cash and Cash Equivalents	\$ 604,298	
Investments	525,781	
Pledges Receivable, Net	177,709	
Employee Rentention Credit Receivable	69,045	
Prepaid Expense	7,450	
Total Current Assets	\$ 1,384,283	
 <u>PROPERTY AND EQUIPMENT:</u>		
Office Equipment	\$ 112,411	
Leasehold Improvements	2,711	
Less: Accumulated Depreciation	(98,179)	
Total Property and Equipment	16,943	
TOTAL ASSETS		\$ 1,401,226
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES:</u>		
Accounts Payable	\$ 1,031	
Payroll Taxes Payable	2,645	
Outstanding Pledges Unpaid	177,709	
PPP Loan Payable	57,457	
Total Current Liabilities	\$ 238,842	
TOTAL LIABILITIES		\$ 238,842
 <u>NET ASSETS:</u>		
Without Donor Restrictions	\$ 1,162,384	
With Donor Restrictions	0	
Total Net Assets	1,162,384	
TOTAL LIABILITIES AND NET ASSETS		\$ 1,401,226

The accompanying notes are an
integral part of this financial statement.

UNITED WAY OF SOUTHEAST MISSOURI, INC.
Cape Girardeau, Missouri

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT AND REVENUE:</u>			
Pledges	\$ 400,825	\$ 0	\$ 400,825
Grant Income	0	69,880	69,880
Other	895	0	895
In-Kind Contributions	18,450	0	18,450
Interest	8,117	0	8,117
Special Events	222,017	0	222,017
COVID 19 Funding	78,243	0	78,243
PPP Loan Forgiveness	51,500	0	51,500
Employee Retention Tax Credit	69,045	0	69,045
Net Assets Released from Restrictions	<u>69,880</u>	<u>(69,880)</u>	<u>0</u>
 Total Support	 <u>\$ 918,972</u>	 <u>\$ 0</u>	 <u>\$ 918,972</u>
<u>EXPENSES:</u>			
Program Services:			
Agency Allocations	\$ 291,257	\$ 0	\$ 291,257
Salaries, Office and Miscellaneous	271,033	0	271,033
Supporting Services:			
Management and General	52,692	0	52,692
Fund-Raising	<u>151,314</u>	<u>0</u>	<u>151,314</u>
 Total Expenses	 <u>\$ 766,296</u>	 <u>\$ 0</u>	 <u>\$ 766,296</u>
 INCREASE (DECREASE) IN NET ASSETS	 \$ 152,676	 \$ 0	 \$ 152,676
 BEGINNING NET ASSETS, July 1, 2020	 <u>1,009,708</u>	 <u>0</u>	 <u>1,009,708</u>
 ENDING NET ASSETS, June 30, 2021	 <u>\$ 1,162,384</u>	 <u>\$ 0</u>	 <u>\$ 1,162,384</u>

The accompanying notes are an
integral part of this financial statement

UNITED WAY OF SOUTHEAST MISSOURI, INC.
Cape Girardeau, Missouri

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	Program Services	Management and General	Fund- Raising	Totals
Agency Allocations	\$ 291,257	\$ 0	\$ 0	\$ 291,257
Education/Read to Succeed	518	0	0	518
First Call for Help	61,272	0	0	61,272
LIFE	38,541	0	0	38,541
Bank Charges & CC Fees	0	346	362	708
Campaign Expenses	0	0	23,393	23,393
COVID 19 Expenses	50,329	7,456	35,416	93,201
Compensation of Officers	40,560	6,759	20,281	67,600
Depreciation	800	1,006	1,395	3,201
Dues and Subscriptions	556	238	794	1,588
Employee Benefits	15,219	2,110	10,698	28,027
Fundraising	0	0	11,838	11,838
Insurance	980	1,522	1,421	3,923
Meetings and Seminars	149	104	3	256
Miscellaneous	1,229	1,229	1,229	3,687
Office Supplies & Postage	1,325	1,325	1,325	3,975
Payroll Taxes	5,975	885	4,205	11,065
Professional Fees	2,485	2,485	2,486	7,456
Rent	5,275	5,275	5,275	15,825
Repairs and Maintenance	181	2,760	75	3,016
Salaries & Wages	41,603	6,163	29,277	77,043
Software	1,705	95	95	1,895
Telephone	1,089	1,089	1,088	3,266
Training	392	148	108	648
Travel, Meals, & Entertainment	290	109	80	479
Utilities	380	380	380	1,140
UWA & CNCS Fees	0	11,118	0	11,118
Website Expense	180	90	90	360
TOTALS	<u>\$ 562,290</u>	<u>\$ 52,692</u>	<u>\$ 151,314</u>	<u>\$ 766,296</u>

The accompanying notes are an
integral part of this financial statement.

UNITED WAY OF SOUTHEAST MISSOURI, INC.
Cape Girardeau, Missouri

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2021

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$	152,676
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation		3,201
Change in Assets and Liabilities:		
Decrease in Pledges Receivable		248,835
Decrease in Prepaid Expenses		12,500
Increase in Accounts Receivable		(69,045)
Decrease in Accounts Payable		(5,815)
Decrease in Payroll Taxes Payable		(244)
Decrease in Outstanding Pledges Unpaid		<u>(177,484)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ 164,624
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Sale of short-term investments	\$	39,747
Acquisition of Fixed Assets		<u>(11,395)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>28,352</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
PPP Loan	\$	57,457
PPP Loan Forgiveness		<u>(51,500)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>5,957</u>
NET DECREASE IN CASH		\$ 198,933
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>405,365</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>\$ 604,298</u></u>
CASH PAID DURING THE YEAR FOR:		
Interest		<u><u>\$ 0</u></u>

The accompanying notes are an
integral part of this financial statement.

UNITED WAY OF SOUTHEAST MISSOURI, INC.
Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The United Way of Southeast Missouri, Inc. was organized in 1955 and operated as a voluntary nonprofit unincorporated association until it was incorporated in 1997. It was formed to raise and disburse funds to local charities, however, has evolved into a community impact organization, assessing community needs and convening groups around these needs to work towards solutions, as well as continuing to raise funds to impact critical community issues. Funds raised are invested in health and human service charities in the Cape Girardeau, Jackson, Scott City and Perryville communities.

A summary of the significant accounting policies consistently applied to the preparation of the accompanying financial statements follows:

A. Basis of Accounting:

Basis of Accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The financial statements are presented on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received, and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed.

B. Basis of Presentation:

Net assets of the organization and changes therein are classified and reported as follows:

Without Donor Restrictions - Net assets that are not subject to grantor or donor-imposed stipulations.

The June 30, 2021 Net Assets Without Donor Restrictions includes \$368,856 of certificates of deposit that the board has voted to save as a fund that will continue to grow until a time that the earnings on the investment can pay for the Organization's operating budget.

With Donor Restrictions – Net assets subject to grantor or donor-imposed stipulations that are more restrictive than the Organization's mission and purpose.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

C. Adoption of Accounting Policy:

For the year ended June 30, 2019, HFHCA adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*, which changed the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows.

D. Cash and Cash Equivalents:

The Organization considers all highly liquid certificates of deposit purchased with an original maturity of three months or less to be cash equivalents.

E. Investments:

All investments are certificates of deposit with maturity dates greater than three months and are carried at fair market value.

F. Allowance for Doubtful Accounts:

Management estimates that approximately 7 percent of total campaign pledges will be uncollectible. At the end of each quarter, (a campaign period lasts approximately 18 months) campaign pledges to date, less the estimated doubtful accounts, are recorded as Pledges Receivable. The receivable account is reduced as donations are collected. The estimated Doubtful Accounts for the 2020 campaign were \$13,376.

G. Property and Equipment:

Property and Equipment are stated at cost, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on a straight-line basis. The organization follows the practice of capitalizing all expenditures for property and equipment that cost in excess of \$700.

H. Outstanding Pledges Unpaid:

United Way Campaign pledges are charged to Pledges Receivable and credited to Outstanding Pledges Unpaid. United Way recognizes this income over an eighteen-month period based on actual collections against pledges.

I. Income Taxes:

The organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the agency has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

J. Allocation of Expenses:

The cost of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses.

K. Contributed Services:

During the year ended June 30, 2021, the value of contributed services meeting the requirements for recognition in the financial statements have been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the organization. The value of these services does not meet the requirements for recognition and therefore have not been recorded.

L. Use of Estimates:

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

M. Functional Allocation of Expenses:

The purpose of all expenses not paid directly to agencies or used by management for daily operations are considered fund-raising expenses. Some expenses are allocated based on estimates made by management. These estimates are based on time spent by employees in carrying out daily duties and on past experience.

NOTE 2: PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

Office Equipment	\$ 112,411
Leasehold Improvements	<u>2,711</u>
Total	<u>\$ 115,122</u>

Depreciation expense for the year ended June 30, 2021 was \$3,201.

NOTE 3: CONCENTRATION OF CREDIT RISK – CASH:

The organization maintains its cash balances at various financial institutions located in Cape Girardeau, Missouri, which at times may exceed federally insured limits. The organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents or investments. At June 30, 2021, the organization had uninsured balances totaling \$230,198.

NOTE 4: LIQUIDITY:

The Organization's financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows:

Cash and cash equivalents	\$ 604,298
Short term investments	525,781
Pledges receivable, net	<u>177,709</u>
	\$1,307,788
Less those unavailable for general expenditures within one year due to:	
Reserved by board for endowment	<u>368,856</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 938,932</u>

In addition to these assets, the Organization operates with a balanced budget and anticipates raising contributions to cover expenditures not otherwise covered.

NOTE 5: PROGRAM SERVICES – AGENCY ALLOCATIONS:

During the fiscal year ended June 30, 2021, the organization supported over 40 agencies which in turn provided health, social, character-building activities and activities which address top community needs in the area. Allocations are based on annual agency applications for financial assistance and the level of public support to United Way of Southeast Missouri's fundraising campaign. Several of the agencies receiving the greatest amount of United Way of Southeast Missouri's financial support in the fiscal year ended June 30, 2021 are listed below:

First Call For Help	\$ 61,272
Big Brothers Big Sisters	35,082
Salvation Army	32,301
Boys and Girls Club	31,573
Community Partnership of SEMO	31,573
Safe House for Women	21,143
One City Work Life	15,786
American Red Cross	14,032
Habitat for Humanity	14,032
APPLE Project	10,466

NOTE 6: DONATED SERVICES:

Generally accepted accounting principles state that for the value of donated services to be recognized in the financial statements, the services must either (a) create or enhance a non-financial asset or (b) be specialized skills, provided by entities or persons possessing those skills, that would otherwise be purchased if they were not donated.

Accordingly, the specialized services have been reflected in the financial statements at the estimated fair value of this service. The value of general services has not been reflected in the financial statements since they do not meet the above criteria.

The value of donated services and the corresponding expenditures included in the financial statements for the year ended June 30, 2021 are as follows:

Revenues, Gains and Other Support	
Contributed Services	<u>\$14,000</u>
Expenditures	
Campaign Expenditures	<u>\$14,000</u>

NOTE 7: LEASE AGREEMENTS:

In May of 2017, the organization entered into a lease agreement for office space under a 36-month lease that expired in May of 2020. Following the lease expiration, an Extended Term of three months, commencing June 1, 2020, went into effect. At the end of this Extended Term a new 36-month term was adopted, beginning September 1, 2020 until August 31, 2023. Minimum annual rental commitments are as follows:

For the year ending:	
June 30, 2022	\$21,600
June 30, 2023	\$21,600
June 30, 2024	<u>\$ 3,600</u>
Total	<u>\$46,800</u>

NOTE 8: COMPENSATED ABSENCES:

Employees of the organization are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The organization's policy is to recognize the costs of compensated absences when actually paid to employees.

NOTE 9: RETIREMENT PLAN:

The organization maintains a SIMPLE IRA plan for all eligible employees. The organization contributes 3% of gross wages to the participating employees' SIMPLE IRA accounts. The organization's contributions totaled \$5,936 for the year ended June 30, 2021.

NOTE 10: RELATED PARTY TRANSACTIONS:

One of the Board Members is also an Investors Club Development Representative of a local bank that the organization utilizes to deposit funds. At June 30, 2021, the funds on deposit with that bank totaled \$480,198.

NOTE 11: SUBSEQUENT EVENTS:

Subsequent events were evaluated through May 11, 2022, which is the date the financial statements were available.