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

FINANCIAL STATEMENTS

Year Ended June 30, 2024

UNITED WAY OF SOUTHEAST MISSOURI, INC.

June 30, 2024

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

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HILLIN AND COMPANY, PC
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of United Way of Southeast Missouri (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the absence of recording right-of-use assets and the related liabilities as described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Southeast Missouri as of June 30, 2024, 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.

Basis for Opinion

As more fully described in Note 13 to the financial statements, the Organization has not recorded operating lease right-of-use assets and the related lease liabilities. Accounting principles generally accepted in the United States of America require that operating lease right-of-use assets and the related liabilities be booked and separately stated as current and noncurrent. The effects on the accompanying financial statements given the absence of operating lease right-of-use assets and the related lease liabilities have not been determined.

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 Financial Statements section of our report. We are required to be independent of United Way of Southeast Missouri and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We

believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Southeast Missouri's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, 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 United Way of Southeast Missouri'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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Southeast Missouri'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.

Yours truly,

Hillin and Company, PC

HILLIN AND COMPANY, PC

Cape Girardeau, Missouri
October 31, 2024

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

STATEMENT OF FINANCIAL POSITION

June 30, 2024

ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 629,416	
Investments	567,112	
Pledges Receivable, Net	238,699	
Prepaid Expense	1,343	
Total Current Assets		$ 1,436,570
PROPERTY AND EQUIPMENT:		
Office Equipment	$ 113,655	
Leasehold Improvements	2,711	
Less: Accumulated Depreciation	(109,251)	
Total Property and Equipment		7,115
TOTAL ASSETS		$ 1,443,685
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Outstanding Pledges Unpaid	$ 238,699	
Total Current Liabilities		$ 238,699
TOTAL LIABILITIES		$ 238,699
NET ASSETS:		
Without Donor Restrictions	$ 1,204,986	
With Donor Restrictions	0	
Total Net Assets		1,204,986
TOTAL LIABILITIES AND NET ASSETS		$ 1,443,685

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, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Pledges	$ 375,910	0	$ 375,910
Grant Income	0	161,884	161,884
Other	59,852	0	59,852
In-Kind Contributions	26,232	0	26,232
Interest	14,279	0	14,279
Special Events	225,412	0	225,412
Net Assets Released from Restrictions	161,884	(161,884)	0
Total Support	$ 863,569	$ 0	$ 863,569
EXPENSES:			
Program Services:			
Agency Allocations	$ 250,926	$ 0	$ 250,926
Salaries, Office and Miscellaneous	330,068	0	330,068
Supporting Services:			
Management and General	59,186	0	59,186
Fund-Raising	179,809	0	179,809
Total Expenses	$ 819,989	$ 0	$ 819,989
INCREASE (DECREASE) IN NET ASSETS	$ 43,580	$ 0	$ 43,580
BEGINNING NET ASSETS, July 1, 2023	1,161,406	0	1,161,406
ENDING NET ASSETS, June 30, 2024	$ 1,204,986	$ 0	$ 1,204,986

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, 2024

	Program Services	Management and General	Fund-Raising	Totals
Agency Allocations	$ 250,926	0	0	$ 250,926
Education/Read to Succeed	45,379	0	0	45,379
First Call for Help	41,700	0	0	41,700
One Time Grants	833	0	0	833
Volunteer Program Expense	60	0	0	60
Transportation Initiative Expense	4,178	0	0	4,178
Winter Homeless Sheltering Expenditures	12,400	0	0	12,400
Tornado Relief Expenses	31,787	0	0	31,787
Leave a Legacy Expenses	33	0	0	33
Housing Support Expense	650	0	0	650
AmericCorps Program Expense	800	0	0	800
Bank Charges & CC Fees	0	2,492	2,594	5,086
Campaign Expenses	0	0	37,332	37,332
Compensation of Officers	42,403	7,067	21,202	70,672
Depreciation	510	632	897	2,039
Dues and Subscriptions	837	359	1,196	2,392
Employee Benefits	26,900	3,985	18,929	49,814
Fundraising	0	0	12,433	12,433
Insurance	1,475	2,301	2,124	5,900
Meetings and Seminars	1,295	916	22	2,233
Miscellaneous	910	910	910	2,730
Office Supplies & Postage	842	842	842	2,526
Payroll Taxes	12,253	1,815	8,623	22,691
Professional Fees	5,796	5,796	5,796	17,388
Rent	8,193	8,193	8,193	24,579
Repairs and Maintenance	43	655	14	712
Salaries & Wages	77,871	11,536	54,798	144,205
Software	5,882	327	327	6,536
Telephone	1,382	1,382	1,382	4,146
Training	388	149	110	647
Travel, Meals, & Entertainment	3,952	1,515	1,120	6,587
Utilities	613	613	613	1,839
UWA & CNCS Fees	0	7,349	0	7,349
Website Expense	703	352	352	1,407
TOTALS	$ 580,994	$ 59,186	$ 179,809	$ 819,989

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, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 43,580	
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	2,040	
Change in Assets and Liabilities:		
Increase in Pledges Receivable	215,494	
Increase in Fixed Assets	0	
Increase in Prepaid Expenses	67	
Decrease in Accounts Payable	0	
Decrease in Payroll Taxes Payable	0	
Increase in Outstanding Pledges Unpaid	(215,494)	
NET CASH PROVIDED BY OPERATING ACTIVITIES		$ 45,687
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of short-term investments	$ (56,338)	
NET CASH USED BY INVESTING ACTIVITIES		(56,338)
NET DECREASE IN CASH		$ (10,651)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		640,067
CASH AND CASH EQUIVALENTS AT END OF YEAR		$ 629,416
CASH PAID DURING THE YEAR FOR:		
Interest		$ 0

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, 2024

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, 2024 Net Assets Without Donor Restrictions includes $239,157 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 2023 campaign were $11,694, the remaining estimated Doubtful Accounts for the 2022 campaign were $6,272.

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, 2024, 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	$ 113,655
Leasehold Improvements	2,711
Total	$ 116,366

Depreciation expense for the year ended June 30, 2024 was $2,039.

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, 2024, the organization had no uninsured balances.

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	$ 629,416
Short term investments	567,112
Pledges receivable, net	238,699
	$1,435,227
Less those unavailable for general expenditures within one year due to:	
Reserved by board for endowment	239,157
Financial assets available to meet cash needs for general expenditures within one year	$1,196,070

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, 2024, 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, 2024 are listed below:

First Call For Help	$ 41,700
Salvation Army	29,161
Big Brothers Big Sisters	29,161
Community Partnership of SEMO	24,995
Safe House for Women	19,164
Regional Family Crisis Center	12,497
One City Work Life	12,497
American Red Cross	12,497
Youth Substance Abuse Prevention Coalition (EPIC)	12,497
Boys and Girls Club	11,842

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, 2024 are as follows:

Revenues, Gains and Other Support	
Contributed Services	$26,232
Expenditures	
Campaign Expenditures	$26,232

NOTE 7: LEASE AGREEMENTS:

An Extended Term lease beginning September 1, 2020 until August 31, 2023 was entered into in June of 2022. Following the expiration of this lease in August of 2023, a 24-month lease was entered into spanning November 1, 2023 until October 31, 2025. Minimum annual rental commitments are as follows:

For the year ending:	
June 30, 2025	$21,600
June 30, 2026	$ 7,200
Total	$28,800

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 $5,951 for the year ended June 30, 2024.

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, 2024, the funds on deposit with that bank totaled $187,448.

NOTE 11: REVENUE RECOGNITION:

The Organization derives its revenues primarily from pledged contributions, fundraising events, and grant rewards. Revenues are recognized when they are received. The organization does not have any significant financing components as revenues are received as fundraisers take place or grants are awarded.

Disaggregation of Revenue from Contracts with Customers: The following table disaggregates the Organization's revenue based on the timing of satisfaction of performance obligations for the year ended June 30, 2024:

	2024
Performance obligations satisfied at a point in time	$ 3,980
Performance obligations satisfied over time	123,226
	$ 127,206

Performance Obligations: For performance obligations related to fundraising events and grant awards. Revenue under fundraising events and grant awards is recognized as revenues are received.

Variable Consideration: The nature of organization does not give rise to variable consideration on a normal basis. No amounts have been estimated for variable consideration.

Contract Assets and Liabilities: At June 30, 2024 the organization had a receivable from pledged contributions of $238,699.

NOTE 12: ENDOWMENT FUNDS:

The Board of United Way of SEMO has designated specific funds to be set aside as endowment funds, in the amount of $3,500, which are to be held in an investment account with Merrill Lynch. These funds are earmarked specifically for growth, and there are no plans to distribute or otherwise use these monies. These endowment fund amounts are included in restricted net assets.

NOTE 13: MODIFIED OPINION:

United Way of SEMO has made the decision not to record operating lease right-of-use assets and the related lease liabilities as is required by accounting principles generally accepted in the United States of America. United Way of SEMO believes that the effect of recording these required disclosures would be immaterial, and would prefer not to incur additional time and expense. The lease in question is the building lease disclosed in Note 7.

NOTE 14: SUBSEQUENT EVENTS:

Subsequent events were evaluated through October 31, 2024, which is the date the financial statements were available.