

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

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FINANCIAL STATEMENTS

Year Ended June 30, 2020

**UNITED WAY OF SOUTHEAST MISSOURI, INC.**

**June 30, 2020**

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

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**HILLIN AND COMPANY, PC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

MEMBER:  
MSCPA  
AICPA

ASSOCIATES:

JAMES M. HILLIN, CPA  
JOHN A. HILLIN, CPA

364 S. Broadview St.  
Cape Girardeau, Missouri 63703  
573-334-8200  
Fax 573-334-8578

BRITTANY ELLIS, CQA

**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, 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 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

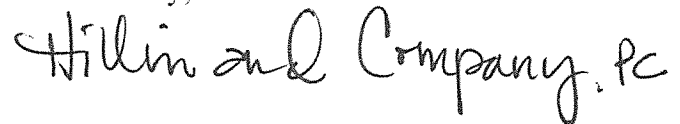
of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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, 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.

Yours truly,

A handwritten signature in cursive script that reads "Hillin and Company, PC". The signature is written in black ink and is positioned above the printed name of the company.

HILLIN AND COMPANY, PC

Cape Girardeau, Missouri  
August 18, 2021

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

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STATEMENT OF FINANCIAL POSITION

June 30, 2020

<u>ASSETS</u>		
<u>CURRENT ASSETS:</u>		
Cash and Cash Equivalents	\$ 405,365	
Investments	565,527	
Pledges Receivable, Net	426,545	
Prepaid Expense	19,950	
Total Current Assets		\$ 1,417,387
 <u>PROPERTY AND EQUIPMENT:</u>		
Office Equipment	\$ 101,016	
Leasehold Improvements	2,711	
Less: Accumulated Depreciation	(94,978)	
Total Property and Equipment		8,749
TOTAL ASSETS		\$ 1,426,136
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES:</u>		
Accounts Payable	\$ 6,846	
Payroll Taxes Payable	2,889	
Outstanding Pledges Unpaid	355,193	
PPP Loan Payable	51,500	
Total Current Liabilities		\$ 416,428
TOTAL LIABILITIES		\$ 416,428
 <u>NET ASSETS:</u>		
Without Donor Restrictions	\$ 1,009,708	
With Donor Restrictions	0	
Total Net Assets		1,009,708
TOTAL LIABILITIES AND NET ASSETS		\$ 1,426,136

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, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT AND REVENUE:</u>			
Pledges	\$ 410,525	\$ 0	\$ 410,525
Grant Income	0	150,098	150,098
Other	122	0	122
In-Kind Contributions	35,222	0	35,222
Interest	11,520	0	11,520
Special Events	197,728	0	197,728
COVID 19 Funding	73,537	0	73,537
Net Assets Released from Restrictions	<u>150,098</u>	<u>(150,098)</u>	<u>0</u>
Total Support	<u>\$ 878,752</u>	<u>\$ 0</u>	<u>\$ 878,752</u>
<u>EXPENSES:</u>			
Program Services:			
Agency Allocations	\$ 395,841	\$ 0	\$ 395,841
Salaries, Office and Miscellaneous	321,508	0	321,508
Supporting Services:			
Management and General	48,635	0	48,635
Fund-Raising	<u>150,626</u>	<u>0</u>	<u>150,626</u>
Total Expenses	<u>\$ 916,610</u>	<u>\$ 0</u>	<u>\$ 916,610</u>
INCREASE (DECREASE) IN NET ASSETS	\$ (37,858)	\$ 0	\$ (37,858)
BEGINNING NET ASSETS, July 1, 2019	<u>1,047,566</u>	<u>0</u>	<u>1,047,566</u>
ENDING NET ASSETS, June 30, 2020	<u><u>\$ 1,009,708</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,009,708</u></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, 2020

	Program Services	Management and General	Fund- Raising	Totals
Agency Allocations	\$ 395,841	\$ 0	\$ 0	\$ 395,841
Education/Read to Succeed	494	0	0	494
First Call for Help	59,472	0	0	59,472
LIFE	63,881	0	0	63,881
Tornado Relief	39,838	0	0	39,838
One Time Grants	6,317	0	0	6,317
Stuff The Bus	250	0	0	250
Bank Charges	0	150	156	306
Campaign Expenses	0	0	46,105	46,105
COVID 19 Expenses	16,200	2,400	11,400	30,000
Compensation of Officers	39,780	6,629	19,891	66,300
Depreciation	1,407	1,769	2,454	5,630
Dues and Subscriptions	879	376	1,255	2,510
Employee Benefits	15,201	2,108	10,686	27,995
Fundraising	0	0	1,914	1,914
Insurance	675	1,048	979	2,702
Marketing	296	0	296	592
Meetings and Seminars	288	201	5	494
Mileage	989	330	330	1,649
Miscellaneous	595	595	596	1,786
Office Supplies and Printing	830	830	830	2,490
Payroll Taxes	6,924	1,026	4,872	12,822
Professional Fees	3,724	3,724	3,725	11,173
Promotional Expense	113	190	25	328
Recognition	14	23	18	55
Rent	4,312	4,312	4,312	12,936
Repairs and Maintenance	286	4,353	118	4,757
Salaries & Wages	54,719	8,107	38,506	101,332
Software	292	16	16	324
Telephone	1,049	1,049	1,048	3,146
Training	986	372	272	1,630
Travel, Meals, & Entertainment	1,089	410	300	1,799
Utilities	427	427	427	1,281
UWA & CNCS Fees	0	8,101	0	8,101
Website Expense	180	90	90	360
<b>TOTALS</b>	<u>\$ 717,348</u>	<u>\$ 48,636</u>	<u>\$ 150,626</u>	<u>\$ 916,610</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, 2020

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$	(37,858)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation		5,630
Change in Assets and Liabilities:		
Increase in Pledges Receivable		(42,628)
Increase in Prepaid Expenses		(18,613)
Decrease in Accounts Receivable		21,500
Decrease in Accounts Payable		(13,778)
Increase in Payroll Taxes Payable		549
Increase in Outstanding Pledges Unpaid		<u>71,508</u>
NET CASH USED BY OPERATING ACTIVITIES	\$	(13,690)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchase of short-term investments	\$	(293,776)
NET CASH USED BY INVESTING ACTIVITIES		<u>(293,776)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
PPP Loan		<u>51,500</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>51,500</u>
NET DECREASE IN CASH	\$	(255,966)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>661,331</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$	<u><u>405,365</u></u>
CASH PAID DURING THE YEAR FOR:		
Interest	\$	<u><u>11,520</u></u>

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

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

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NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

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, 2020 Net Assets Without Donor Restrictions includes \$364,498 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 2019 campaign were \$32,105.

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, 2020, 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	\$ 101,016
Leasehold Improvements	<u>2,711</u>
Total	<u>\$ 103,727</u>

Depreciation expense for the year ended June 30, 2020 was \$5,630.

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, 2020, 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	\$ 405,365
Short term investments	565,527
Pledges receivable, net	<u>426,544</u>
	\$1,397,436
Less those unavailable for general expenditures within one year due to:	
Reserved by board for endowment	<u>364,498</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,032,938</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, 2020, 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, 2020 are listed below:

First Call For Help	\$ 59,472
Big Brothers Big Sisters	47,412
Salvation Army	43,660
Boys and Girls Club	42,670
Community Partnership of SEMO	42,670
Safe House for Women	28,571
One City Work Life	21,336
American Red Cross	18,964
Habitat for Humanity	18,964
APPLE Project	14,146

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, 2020 are as follows:

Revenues, Gains and Other Support Contributed Services	<u>\$ 15,600</u>
Expenditures Campaign Expenditures	<u>\$ 15,600</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, 2021	\$20,400
June 30, 2022	\$21,600
June 30, 2023	\$21,600
June 30, 2024	<u>\$ 3,600</u>
Total	<u>\$67,200</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 \$4,812 for the year ended June 30, 2020.

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, 2020, the funds on deposit with that bank totaled \$322,621.

NOTE 11: SUBSEQUENT EVENTS:

Subsequent events were evaluated through August 18, 2021, which is the date the financial statements were available.