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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
United Way of Randolph County, Inc.  
Moberly, Missouri

We have audited the accompanying financial statements of United Way of Randolph County, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—modified cash basis as of December 31, 2020, and the related statements of support, revenue, and expenses and functional expenses—modified cash basis 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 the modified cash basis of accounting as described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### **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 assets, liabilities, and net assets of United Way of Randolph County, Inc. as of December 31, 2020, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note A.

**Basis of Accounting**

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



John W. Gillum, CPA, LLC  
Certified Public Accountant  
Kirksville, Missouri  
October 8, 2021

FINANCIAL STATEMENTS

United Way of Randolph County, Inc.  
Statement of Assets, Liabilities and Net Assets—Modified Cash Basis  
December 31, 2020

**ASSETS**

Cash and cash equivalents	\$ 164,850
Investments	<u>160,000</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>324,850</u></b>

**LIABILITIES AND NET ASSETS**

Liabilities

Payroll liabilities	\$ <u>936</u>
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Net Assets

Without donor restrictions	277,035
Designated by board for restriction	<u>46,879</u>
<b>Total Net Assets</b>	<b><u>323,914</u></b>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>324,851</u></b>
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See Accompanying Notes to Financial Statements

United Way of Randolph County, Missouri  
Statement of Support, Revenue and Expenses—Modified Cash Basis  
For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>Board Restricted</u>	<u>Total</u>
<u>REVENUES</u>			
Campaign Revenue			
2021 drive	\$ -	\$ 46,879	\$ 46,879
2020 drive	161,543	-	161,543
2019 drive	12,702	-	12,702
2018 drive	8	-	8
Investment income	4,093	-	4,093
Special events, net	(3,645)	-	(3,645)
Miscellaneous income	2,122	-	2,122
<u>Net Assets Released From (Transferred To) Restrictions</u>			
Current year drive collected in prior year	<u>41,622</u>	<u>(41,622)</u>	<u>-</u>
Total Revenues	218,445	5,257	223,702
<u>EXPENSES</u>			
Program Services			
Agency Payments	147,887	-	147,887
Allocation Services	<u>34,103</u>	<u>-</u>	<u>34,103</u>
Total Program Services	181,990	-	181,990
Support Services			
Organizational Administration	12,754	-	12,754
United Way of America Dues	<u>2,769</u>	<u>-</u>	<u>2,769</u>
Total Support Services	15,523	-	15,523
Fundraising	<u>14,467</u>	<u>-</u>	<u>14,467</u>
Total Expenses	<u>211,980</u>	<u>-</u>	<u>211,980</u>
Change in Net Assets	6,465	5,257	11,722
Net Assets—Beginning of Year	<u>270,570</u>	<u>41,622</u>	<u>312,192</u>
Net Assets—End of Year	<u>\$ 277,035</u>	<u>\$ 46,879</u>	<u>\$ 323,914</u>

See Accompanying Notes to Financial Statements

United Way of Randolph County, Inc.  
Statement of Functional Expenses—Modified Cash Basis  
For the Year Ended December 31, 2020

<u>EXPENSES</u>	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total</u>
Agency Payments	\$ 147,887	\$ -	\$ -	\$ 147,887
United Way Worldwide Dues	-	2,769	-	2,769
Payroll Expenses	19,977	8,292	9,425	37,694
Advertising	1,832	760	865	3,457
Legal & Accounting	3,137	1,302	1,481	5,920
Campaign	3,464	-	-	3,464
Insurance	853	354	403	1,610
Telephone & Internet	711	295	336	1,342
Utilities	919	381	435	1,735
Travel	546	226	259	1,031
Repairs & Maintenance	415	172	197	784
Computer	621	257	294	1,172
Supplies	1,223	507	579	2,309
Postage	232	96	110	438
Dues & Subscriptions	173	71	83	327
Miscellaneous	-	41	-	41
 Total Expenses	 <u>\$ 181,990</u>	 <u>\$ 15,523</u>	 <u>\$ 14,467</u>	 <u>\$ 211,980</u>

See Accompanying Notes to Financial Statements

United Way of Randolph County, Inc.  
Notes to Financial Statements  
December 31, 2020

A. Summary of Significant Accounting Policies

Nature of Activities

United Way of Randolph County, Inc., a general not-for-profit corporation of the State of Missouri, provides financial assistance to various charitable and other non-profit organizations in Moberly and Randolph County, Missouri. Recipient agencies apply for and consideration is given based on need and other factors.

The Board of Directors serve on a volunteer basis and are charged with the responsibility of general custodial administration as well as exercising discretionary authority with respect to those who apply for agency payments or grants.

Basis of Accounting

The Organization uses the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Revenue and support are recognized when received rather than when earned or designated; expenses are recognized when paid, rather than when the obligation is incurred. This practice has been consistently followed in past years.

The modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as contributions receivable) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements.

Property and Equipment

Property and equipment purchased with agency funds or donated are not recorded as an asset of the agency. Due to the agency's use of the modified cash basis of accounting, such equipment items were recorded as expenditures in the year of acquisition or not recorded in the case of donated items.



United Way of Randolph County, Inc.  
Notes to Financial Statements  
December 31, 2020

A. Significant Accounting Policies (Continued)

Net Assets

The Organization classifies net assets into three categories according to either action of the Board of Directors or externally (donor) imposed restrictions. A description of the three net asset categories follows:

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

With Donor Restrictions—Net assets subject to donor-imposed stipulations that may or will be met either by the actions of the Organization and/or the passage of time. The Organization did not have net assets with donor restrictions for the year ended December 31, 2020.c

Designated by Board for Restriction—Net assets subject to board-imposed stipulations.

Support and Revenue Recognition

Support is recognized when received. Restricted contributions are recognized as revenue in the same manner as unrestricted contributions when restrictions are met in the year in which amounts are received. The restrictions on board temporarily restricted revenues are removed prior to the expenditure of those contributions. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets.

United Way of America Dues

The Organization pays national dues to the United Way of America each year based on the pledge drive results. The amount expensed for national dues was \$2,769 for the year ended December 31, 2020.

Functional Expenses

All expenses are charged to functions based on the nature of the expense

United Way of Randolph County, Inc.  
Notes to Financial Statements  
December 31, 2020

A. Significant Accounting Policies (Continued)

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Federal Forms 990, *Return of Organization Exempt from Income Tax*, for the years 2020, 2019, and 2018 are subject to examination by the IRS, generally for three years after they were filed.

B. Liquidity and Availability of Financial Assets

All of the Organization's financial assets as of the balance sheet date are considered available to meet cash needs for general expenditures within one year, because none of the Organization's financial assets have contractual or donor-imposed restrictions in place.

C. Investments

The Organization's investments consist of certificates of deposit with maturities in excess of three months, as follows:

Certificate of deposit	\$ <u>160,000</u>
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D. Restrictions on Net Assets

Designated by Board for Restriction

Designated by Board for Restriction are those assets classified as a reserve to meet funding needs as determined by the Board of Directors. These funds are considered as an additional source, in the event current year campaign funds do not meet funding requirements. In addition, subsequent year funds collected and the related fund-raising costs are designated by the board as restricted until the following year.

The Organization's net assets designated by the board for restriction at December 31, 2020, were \$46,879.

E. Advertising

It is the Company's policy to expense all advertising and promotional costs when incurred. The agency expensed \$3,457 in advertising costs during the year.

United Way of Randolph County, Inc.  
Notes to Financial Statements  
December 31, 2020

F. Evaluation of Subsequent Events

Management has evaluated subsequent events through September 7, 2021, the date on which the financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national and global economies. The extent to which COVID-19 impacts the Organization's operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Potential impacts include, but are not limited to, additional costs for responding to COVID-19, potential shortages of personnel, potential shortages of supplies, delays, loss of, or reduction to revenue. Management believes the Organization is taking appropriate actions to respond to the pandemic; however, the full impact is unknown and cannot be reasonably estimated.

G. Program Services

The organization supports various agencies in Randolph County. During 2020 the Organization provided funding to the following agencies:

<u>Agency</u>	<u>Funding</u>
Community Childcare Learning Center	\$ 20,000
Senior American Multipurpose Center	20,000
Safe Passage	18,000
Randolph County Primary Care	16,000
Food Bank for Central & NE Missouri	15,000
Salvation Army	12,000
Higbee Senior Citizens	11,720
Christos Center	9,000
Mid MO Productivity & Packaging	9,000
Randolph County 4-H Council	8,000
St. Vincent De Paul	5,000
Magic City Express	<u>4,167</u>
 Total Agency Payments	 \$ <u>147,887</u>