

United Ministries
Financial Statements
June 30, 2019
(With Independent Auditor's Report Thereon)

United Ministries

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HIGHSMITH & HIGHSMITH, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Board of Directors of
United Ministries
Greenville, South Carolina

We have audited the accompanying financial statements of United Ministries (a nonprofit organization) which comprise the statement of financial position as of June 30, 2019, 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 of 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.

Effect of Adopting New Accounting Standard

As discussed in Note 2, in August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (“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. Our opinion is not modified with respect to this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Ministries as of June 30, 2019, 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.

Highsmith & Highsmith, LLC

Highsmith & Highsmith, LLC
Travelers Rest, South Carolina

September 30, 2019

United Ministries

**Statement of Financial Position
June 30, 2019**

Assets

Current assets:		
Cash and cash equivalents	\$	322,494
Prepaid expenses		64,810
Total Current Assets		<u>387,304</u>
Beneficial interest in assets held by Community Foundation of Greenville		621,893
Property and equipment		
Buildings		2,369,309
Office equipment		707,785
Automobiles and vans		123,703
Land		132,930
		<u>3,333,727</u>
Less: Accumulated Depreciation		<u>(2,799,370)</u>
Property, Plant, and Equipment, net		<u>534,357</u>
Investments		777,835
Other Assets		21,047
Total assets	\$	<u><u>2,342,436</u></u>

Liabilities and Net Assets

Current Liabilities:		
Accounts payable	\$	41,662
Accrued expenses		79,760
Deferred revenue		46,538
Current portion of note payable		17,471
Total Current Liabilities		<u>185,431</u>
Long-Term Liabilities:		
Note payable		<u>225,547</u>
Total Long-Term Liabilities		<u>225,547</u>
Total Liabilities		<u>410,978</u>
Net Assets:		
Without donor restrictions:		
Expended for property and equipment		534,357
Board designated		621,893
Operations		552,703
Total unrestricted		<u>1,708,953</u>
With donor restrictions		<u>222,505</u>
Total net assets		<u>1,931,458</u>
Total liabilities and net assets	\$	<u><u>2,342,436</u></u>

United Ministries

**Statement of Activities
Year Ended June 30, 2019**

	<u>Net Assets Without Donor Restrictions</u>	<u>Nets Assets With Donor Restrictions</u>	<u>Total</u>
Support and other revenue:			
Support:			
Businesses	\$ 74,613	\$ 15,585	\$ 90,198
Congregations	158,042	197,120	355,162
Civic groups	2,150	6,200	8,350
Individuals	538,790	133,103	671,893
Foundations	50,343	375,373	425,716
Federal funds	7,602	93,964	101,566
United Way of Greenville County	-	340,374	340,374
Non-profit	2,435	30,886	33,321
Program fees	-	122,634	122,634
Total support	<u>833,975</u>	<u>1,315,239</u>	<u>2,149,214</u>
Other Revenue:			
Earnings on investments	74,140	-	74,140
Interest income	2,348	-	2,348
Miscellaneous income	6,274	150	6,424
Total other revenue	<u>82,762</u>	<u>150</u>	<u>82,912</u>
Total support and revenue	<u>916,737</u>	<u>1,315,389</u>	<u>2,232,126</u>
Net assets released from restrictions	<u>1,215,302</u>	<u>(1,215,302)</u>	<u>-</u>
Total support, revenue and reclassifications	<u>2,132,039</u>	<u>100,087</u>	<u>2,232,126</u>
Expenses:			
Program Services:			
Place of Hope	209,516	-	209,516
Adult Education	332,967	-	332,967
Greenville Homeless Alliance	96,903	-	96,903
Emergency Assistance	255,703	-	255,703
H.E.A.T.	39,310	-	39,310
M.E.D.	2,451	-	2,451
Emergency Food and Shelter	15,645	-	15,645
Stabilization	10,822	-	10,822
Employment Readiness	453,471	-	453,471
Interfaith Hospitality Network	498,630	-	498,630
Matched savings	15,586	-	15,586
Total program services	<u>1,931,004</u>	<u>-</u>	<u>1,931,004</u>
Supporting Services:			
Administrative	181,313	-	181,313
Development	123,450	-	123,450
Total supporting services	<u>304,763</u>	<u>-</u>	<u>304,763</u>
Total operating expenses	<u>2,235,767</u>	<u>-</u>	<u>2,235,767</u>
Change in net assets	(103,728)	100,087	(3,641)
Net assets, beginning of year	1,812,681	122,418	1,935,099
Net assets, end of year	\$ <u>1,708,953</u>	\$ <u>222,505</u>	\$ <u>1,931,458</u>

United Ministries

Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services										Supporting Services			Total Expense	
	Place of Hope	Adult Education	Greenville Homeless Alliance	Emergency Assistance	H.E.A.T.	M.E.D	Emergency Food and Shelter	Stabilization	Employment Readiness/Advanced Manufacturing	Interfaith Hospitality Network	Matched Savings	Total Program Services	Administration		Development
Salaries	\$ 88,418	\$ 151,082	\$ 72,019	\$ 91,818	\$ -	\$ -	\$ -	\$ -	\$ 243,816	\$ 201,587	\$ -	\$ 848,740	\$ 70,801	\$ 75,585	\$ 995,126
Fringe benefits and payroll taxes	17,865	43,505	13,521	19,285	-	-	-	-	56,256	41,564	-	191,996	14,779	18,021	224,796
Total salaries and related expenses	106,283	194,587	85,540	111,103	-	-	-	-	300,072	243,151	-	1,040,736	85,580	93,606	1,219,922
Office and educational supplies	2,184	6,054	4,070	2,402	6	-	11	12	5,070	5,348	69	25,226	9,046	1,047	35,319
Contract and professional services	21,139	41,748	5,995	23,187	-	-	-	-	31,133	33,630	-	156,832	40,165	7,370	204,367
Direct aid to individuals	15,107	25,696	500	75,551	39,304	2,451	15,634	10,810	51,791	158,163	15,517	410,524	-	-	410,524
Insurance	4,339	6,007	-	4,339	-	-	-	-	6,008	4,339	-	25,032	6,675	1,669	33,376
Telephone	523	2,310	-	1,297	-	-	-	-	2,719	3,902	-	10,751	805	201	11,757
Staff travel	72	100	-	72	-	-	-	-	117	2,654	-	3,015	111	28	3,154
Utilities	9,542	5,046	-	2,957	-	-	-	-	5,046	5,046	-	27,637	5,913	2,956	36,506
Repairs and maintenance	24,421	15,758	-	9,026	-	-	-	-	15,417	14,560	-	79,182	11,879	7,652	98,713
Printing	2,435	3,728	582	2,298	-	-	-	-	3,818	3,048	-	15,909	3,235	883	20,027
Postage	573	705	-	573	-	-	-	-	792	573	-	3,216	-	220	3,436
Training	807	1,453	-	807	-	-	-	-	1,713	2,125	-	6,905	548	206	7,659
Dues and subscriptions	1,131	1,763	216	1,131	-	-	-	-	1,763	1,131	-	7,135	2,296	562	9,993
Total expenses before interest and depreciation	188,556	304,955	96,903	234,743	39,310	2,451	15,645	10,822	425,459	477,670	15,586	1,812,100	166,253	116,400	2,094,753
Interest	1,246	1,726	-	1,246	-	-	-	-	1,726	1,246	-	7,190	1,917	479	9,586
Depreciation	19,714	26,286	-	19,714	-	-	-	-	26,286	19,714	-	111,714	13,143	6,571	131,428
Total expenses	\$ 209,516	\$ 332,967	\$ 96,903	\$ 255,703	\$ 39,310	\$ 2,451	\$ 15,645	\$ 10,822	\$ 453,471	\$ 498,630	\$ 15,586	\$ 1,931,004	\$ 181,313	\$ 123,450	\$ 2,235,767

United Ministries

Statement of Cash Flows Year Ended June 30, 2019

Cash flows from operating activities:	
Change in net assets	\$ (3,641)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	131,428
Increase in prepaid expenses	(35,089)
Decrease in other assets	(210)
Increase in accounts payable	2,832
Decrease in accrued expenses	5,616
Increase in deferred revenues	46,538
Net cash provided by operating activities	<u>147,474</u>
Cash flows from investing activities:	
Purchase of property, plant, and equipment	(29,941)
Purchases of investments, net	<u>(60,669)</u>
Net cash used by investing activities	<u>(90,610)</u>
Cash flows from financing activities:	
Payments against note payable	<u>(16,690)</u>
Net cash provided by financing activities	<u>(16,690)</u>
Net decrease in cash	40,174
Cash, beginning of year	<u>282,320</u>
Cash, end of year	<u>\$ 322,494</u>
Supplemental information:	
Cash paid for interest	<u>\$ 9,586</u>

United Ministries

Notes to Financial Statements June 30, 2019

Note 1 – Organization

United Ministries (the “Agency”), an extension of the servant ministry of cooperating congregations in the Greenville, South Carolina area, provides life-changing opportunities and advocacy for people in Greenville County who lack education or employment skills, who are in financial crisis, who are homeless and those who can help.

We Will Achieve Our Mission By:

- Uniting the faith-based, public, and private communities to provide the tangible and intangible resources required for quality programs.
- Educating communities about the needs and realities of people served by United Ministries.
- Working with integrity and transparency.
- Providing quality programs which address real needs
 - *Place of Hope:* Guides people who are homeless on their journey to having a home
 - *Emergency Assistance:* Provides hopeful options, strong encouragement, and a measure of stability to people finding themselves in a financial crisis
 - *Employment Readiness:* Removes barriers for individuals who are motivated to improve their employment situation
 - *Adult Education:* Improves the quality of life for individuals and their families through education
 - *Interfaith Hospitality Network:* Assists congregations to share hospitality with homeless families that include children

Program Descriptions

The Place of Hope – The Place of Hope, a day shelter for homeless people, provides hygiene services (showers, washing machines and dryers), a message center for mail and phone, strong case management, and access to other services at United Ministries and other agencies.

Adult Education – Adult Education provides educational opportunities for adults. Support services for courses include testing and books. The pre-GED level addresses the needs of students functioning at the 8th grade level. GED prep prepares students to earn their GED. Adult Education also provides financial support, guidance and case management to those planning to further education.

Emergency Assistance/MED – Emergency Assistance/MED uses volunteer interviews to talk with 20-50 families each day to determine what kind of help is needed. United Ministries may give money for rent, utilities, heat or prescriptions. Volunteers or staff may give a food bag or refer a family to other programs or agencies.

H.E.A.T. – H.E.A.T. provides cooling and heating assistance to the elderly and to those with small children in their homes.

United Ministries

Notes to Financial Statements
June 30, 2019

Note 1 – Organization, continued

Program Descriptions, continued

Emergency Food and Shelter – Emergency Food and Shelter provides grocery bags of food for participants.

Employment Readiness – Employment Readiness helps people get and keep jobs. The program successfully assists people in confronting barriers through workshops, one-on-one counseling, job placements and follow up.

Interfaith Hospitality Network - Provides homeless families with emergency shelter and interim housing in partnership with local congregations. This housing continuum helps families secure income sufficient to sustain permanent housing

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. This basis recognizes revenues and the related assets when earned rather than when received, and expenses are recognized when incurred rather than when the obligation is paid.

Financial Statement Presentation

The Agency has adopted FASB ASC 958-205 Not-For-Profit Presentation of Financial Statements.

The Agency's net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

Without Donor Restrictions – net assets that are not subject or donor-imposed stipulations. The board of directors has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose.

With Donor Restrictions – net assets subject to donor-imposed restrictions that will be satisfied by action of the Agency or by the passage of time. This includes annuity and life income funds, term endowments, the present value of contributions receivable, and earnings on investments.

United Ministries

**Notes to Financial Statements
June 30, 2019**

Note 2 – Summary of Significant Accounting Policies, continued

Financial Statement Presentation, continued

At June 30, 2019, there were no permanently restricted net assets for the Agency.

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. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. 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 reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Revenues under Federal and nongovernmental grants and contracts are recognized as expenses are incurred for the grant and contract purposes.

Income and unrealized net gains or losses on investments are reported as follows:

As increase or decreases in permanently restricted net assets if the terms of the gift require that they are added to the principal of a permanent endowment fund;

As increases or decreases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income or by law;

As increases or decreases in unrestricted net assets in all other cases.

United Ministries

Notes to Financial Statements June 30, 2019

Note 2 – Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

The Agency considers all currency and demand deposits with an original maturity of three months or less to be cash equivalents. The Agency places its cash and cash equivalents on deposit with financial institutions in the United States.

During the year ended June 30, 2019, the Agency's cash balances from time to time may have had amounts in excess of insured limits. However, the Agency has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments

Investment securities are generally recorded at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

The Agency's investments include various types of investment securities and investment vehicles. Investment securities are exposed to several risks, such as interest rate, currency, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that change in the values of investments securities will occur in the near term and such changes could materially affect the amounts reported in the Agency's financial statements.

Receivables

The Agency records receivables on their books at their estimated net realizable value. An allowance for uncollectible receivables, if any, is estimated based on past experience and on analysis of collectability.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the risk-free interest rates applicable to the years in which the promises are received.

Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

The Agency uses the allowance method to estimate uncollectible unconditional promises to give. The allowance is based on management's analysis of specific promises made.

United Ministries

Notes to Financial Statements June 30, 2019

Note 2 – Summary of Significant Accounting Policies, continued

Property and Equipment

Property and equipment are stated at cost at the date of acquisition. Cost for donated assets is stated at the appraised fair market value on the date of donation. Buildings are depreciated using the straight-line method over the estimated useful lives of the respective assets, ranging from 5 to 20 years. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the respective assets, ranging from 3 to 20 years. Automobiles are depreciated using the straight-line method over the estimated useful lives of the respective assets, which is 5 years. For the year ended June 30, 2019, depreciation expense was \$131,428.

Maintenance and repairs are charged to expense as incurred.

Income Taxes

The Agency is recognized as an exempt organization exempt from Federal income tax on related income under Section 501(c)(3) of the Internal Revenue Code (the “Code”). Accordingly, only unrelated business income, as defined by Section 513 of the Code, is subject to Federal income tax.

The Agency’s policy is to record a liability for any tax position taken that is beneficial to the Agency, including any related interest and penalties, when it is more likely than not the position taken by management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. The Agency’s open audit periods are 2017-2019. Management believes that there are no such positions as of June 30, 2019 and, accordingly, no liability has been accrued.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Agency to concentrations of credit risk, consist primarily of investments. The exposure to concentration of credit risk relative to investments is limited due to the Agency’s investment objectives and policies, as adopted by its Board of Directors.

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, accounts receivable, promises to give, accounts payable, accrued liabilities, and line of credit approximate fair value because of the terms and relative short maturity of financial instruments. The carrying values, which are the fair value of investments, are based on values provided by an external investment manager or comparison to quoted market values.

United Ministries

Notes to Financial Statements June 30, 2019

Note 2 – Summary of Significant Accounting Policies, continued

Contributed Items and Services

Contributed items and services are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions are recorded as unrestricted support. For the year ended June 30, 2019, there were no contributed services meeting the requirements for recognition in the financial statements.

Advertising

Advertising costs are expensed as incurred by the Agency. During the year ended June 30, 2019, advertising expenses were \$1,685.

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 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.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statements of Functional Expenses. Accordingly, all costs have been allocated among the program and supporting services benefited.

Recently Adopted Accounting Pronouncements

On August 18, 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU provides for a variety of changes to the presentation of the financial statements of not-for-profit entities, including changing from three classes of net assets to two classes of net assets, enhancing disclosure requirements related to liquidity concerns and endowment management, a requirement to present expenses classified by both their nature and their function and other changes to presentation and disclosure. This standard is effective for fiscal years beginning after December 15, 2017, and the Foundation adopted ASU 2016-14 in fiscal year 2019.

Note 3 – Fair Value Measurements

Fair value, as defined under generally accepted accounting principles, is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Agency utilizes market data or assumption that market

United Ministries

Notes to Financial Statements June 30, 2019

Note 3 – Fair Value Measurements, continued

participants would use in pricing the asset or liability. The Agency has characterized its financial assets and liabilities which are measured at fair value and recorded in the statements of financial position, based on a three-level fair value hierarchy based on the inputs to valuation techniques as follows:

Level 1 – valuations based on quoted prices in active markets for identical assets or liabilities.

Level 2 – valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – valuations based on unobservable inputs reflecting the Agency’s own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment or estimation by the investment manager.

The following table summarizes the valuation of the Agency’s financial assets measured at fair value as of June 30, 2019, based on the level of input utilized to measure fair value:

Description	Level 1	Level 2	Level 3
Investments:			
Publicly traded funds:			
Money market funds	\$ 4,617	\$ -	\$ -
Bonds	186,078	-	-
US equities	380,305	-	-
Other	828,728	-	-
Total investments - recurring basis	\$ 1,399,728	\$ -	\$ -

Prices for money market funds, equities, bonds, and other are readily available in the active markets in which those securities are traded, and the resulting fair values are shown in the “Level 1 input” column.

Note 4 - Investments

A summary of investments at fair value that are presented on the statements of financial position under beneficial interest in assets held by Community Foundation of Greenville and investments as of June 30, 2019 are as follows:

Money market funds	\$ 4,617
Bonds	186,078
Equities	380,305
Other	828,728
	\$ 1,399,728

United Ministries

**Notes to Financial Statements
June 30, 2019**

Note 4 – Investments, continued

Investment income for the year ended June 30, 2019 is comprised of the following:

	<u>Unrestricted</u>		<u>Temporarily Restricted</u>	<u>Total</u>
Interest and investment income	\$ 76,488	\$	-	\$ 76,488
	<u>\$ 76,488</u>	<u>\$</u>	<u>-</u>	<u>\$ 76,488</u>

Note 5 – Other Assets

Other assets consisted primarily of donated artwork at a fair market value of \$21,000.

Note 6 –Line of Credit

The Agency has an unsecured revolving loan agreement with a commercial bank. The provisions of the agreement are as follows:

As of June 30, 2019, the Agency may borrow up to \$30,000 at the request of the Agency and approval by the commercial bank. The borrowings at June 30, 2019 were \$0 against this line of credit. Borrowings bear interest at a variable rate equal to the LIBOR rate plus 2.5 percent. As of June 30, 2019, the interest rate is 2.692 percent per annum.

Note 7 – Note Payable

The following is a summary of the note payable as of June 30, 2019:

Note payable to a financial institution maturing November, 2025.	<u>2019</u>
The note calls for monthly principal and interest payments of \$2,190. The note bears interest at 3.75 percent. The note is secured by assets of the Agency.	\$ <u>243,018</u>
Total long-term liabilities	243,018
Less: current portion	<u>(17,479)</u>
	<u>\$ 225,539</u>

United Ministries

Notes to Financial Statements June 30, 2019

Note 7 – Note Payable, continued

Maturities of the note payable is as follows:

<u>June 30,</u>	
2020	\$ 17,479
2021	18,146
2022	18,839
2023	19,557
2024	20,304
Thereafter	148,693
	<u>\$ 243,018</u>

Note 8 – Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as June 30, 2019 consists of:

	<u>2019</u>
Restricted for Specific Purposes:	
Program and Operations	\$ 205,006
Restricted for Use Due to Time	17,500
Total	<u>\$ 222,506</u>

Net assets were released during the year ended June 30, 2019 for the following purposes:

	<u>2019</u>
Release for Satisfaction of Specific Purpose:	
Program and Operations	\$ 1,199,716
Release for Use Due to Time	15,586
Total	<u>\$ 1,215,302</u>

Note 9 – Retirement Plan

The Agency has a non-contributory, defined contribution retirement plan covering all full-time employees meeting the certain eligibility requirements. Contributions to the plan are at the discretion of the Agency's Board of Directors. Employees immediately vest in their portion of the Agency's contribution. Retirement plan expense totaled \$16,040 for the year ended June 30, 2019 and is included in employee benefits.

United Ministries

Notes to Financial Statements June 30, 2019

Note 10 – Lease

The Agency has entered into an operating lease for office equipment that expires in March 2021. Total lease expense incurred under this agreement was \$8,173.

Future minimum lease payments under this agreement are as follows:

<u>June 30,</u>		
2020	\$	8,916
2021		8,916
2022		8,916
2023		8,916
2024		<u>2,972</u>
Total	\$	<u><u>38,636</u></u>

Note 11 – Donated Services

The Agency receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been reflected in the financial statement for those services since they do not meet the criteria for recognition under FASB ASC 958-605-25-16 *Contributed Services*. During the year ended June 30, 2019, donated service hours totaled 32,371.

Note 12 – Charitable Remainder Trust

The Agency is the remainder beneficiary under a trust agreement administered by a bank. Under a charitable remainder trust, a donor indicates that the Agency is to receive the trust's "remainder" after other beneficiaries receive their required distributions. Often, multiple beneficiaries are entitled to distributions before the Agency receives the remainder. Such distributions may or may not be limited to the trust's income, and the actual ages and number of beneficiaries may vary widely. Further, the demographic information about these beneficiaries may not be available to the Agency. As a result, there are inherent uncertainties in determining the present value of the remainder interest. Accordingly, the Agency does not estimate a value for any remainder interest where management believes accurate information about beneficiaries, underlying trust assets and or the nature of distributions available to beneficiaries is not reasonably determinable. As of June 30, 2019, the Agency has not received any income from the trust.

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Note 13 – Liquidity, Availability, and Reserves Management

The Agency maintains and manages adequate operating reserves per policies set by its board of directors. In the case of operating reserve, the Finance Committee of the board regularly reviews and recommends reserve policies to the full board for approval. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are made up of the following:

Financial assets, at year-end	\$ 1,786,783
Less those unavailable for general expenditures within one year, due to	
Board Designations	621,893
Property and equipment	<u>534,357</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 630,533</u>

Note 14 – Risk Management

The Agency is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. To insure against casualty risks, the Agency obtains insurance from commercial insurance carriers for errors and omissions, and physical property loss and natural disasters to its buildings.

The Agency acquires insurance from commercial insurance carriers for job-related injury and illness (worker's compensation) to its employees, medical insurance encompassing health, dental, life and other medical benefits to employees and their dependents.

During the year ended June 30, 2019, the Agency did not experience any significant uninsured claims. Accordingly, there was no liability or expense recorded for actual claims, and management does not believe any provision for unasserted claims is necessary.

Note 15 – Subsequent Events

The Agency has evaluated subsequent events through September 30, 2019, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.