

***MISSOURI ENVIRONMENTAL FUND***

***FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2016***

***MISSOURI ENVIRONMENTAL FUND***

ST. LOUIS, MISSOURI

**CONTENTS**

	PAGE
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS:</b>	
Statement Of Financial Position	3
Statement Of Activities	4
Statement Of Functional Expenses	5
Statement Of Cash Flows	6
Notes To Financial Statements	7

## INDEPENDENT AUDITORS' REPORT



To the Board of Directors  
**MISSOURI ENVIRONMENTAL FUND**  
St. Louis, Missouri

We have audited the accompanying statement of financial position of Missouri Environmental Fund (a not-for-profit organization) as of June 30, 2016, and the related statement 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.

This information is intended solely for the use of Board of Directors and management of Missouri Environmental Fund and is not intended to be, and should not be, used by anyone other than these specified parties.

*Botz Deal & Company*

December 21, 2016

**MISSOURI ENVIRONMENTAL FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2016**

**ASSETS**

**CURRENT ASSETS**

Cash	\$	76,792
Pledges receivable, net		58,136
Rent receivable		3,336
<b>TOTAL CURRENT ASSETS</b>		<b>138,264</b>

**FIXED ASSETS**

Equipment		2,400
Less: accumulated depreciation		2,400
<b>NET FIXED ASSETS</b>		<b>-</b>
<b>TOTAL ASSETS</b>	\$	<b>138,264</b>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$	917
Campaign funds payable to member organizations		64,651
<b>TOTAL CURRENT LIABILITIES</b>		<b>65,568</b>

**NET ASSETS**

Unrestricted		72,696
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$	<b>138,264</b>

The accompanying notes are an integral part of these financial statements.

**MISSOURI ENVIRONMENTAL FUND**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<b>REVENUES AND SUPPORT</b>	
Amounts raised in campaigns (gross pledges)	\$ 107,896
Less: uncollectible pledges	(3,492)
Amounts designated by donors to member organizations	(62,343)
<b>PUBLIC SUPPORT DESIGNATED TO MISSOURI ENVIRONMENTAL FUND</b>	<b>\$ 42,061</b>
 <b>PUBLIC SUPPORT AND REVENUE</b>	
Public support designated to Missouri Environmental Fund	\$ 42,061
Administrative fees to Missouri Environmental Fund for raising funds on behalf of member organizations	15,165
In-kind revenue	11,775
Miscellaneous	31
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>69,032</b>
 <b>EXPENSES</b>	
Program services	59,337
Management and general	1,000
Fundraising	226
<b>TOTAL EXPENSES</b>	<b>60,563</b>
<b>CHANGE IN NET ASSETS</b>	8,469
<b>NET ASSETS - BEGINNING OF YEAR</b>	64,227
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 72,696</b>

The accompanying notes are an integral part of these financial statements.

**MISSOURI ENVIRONMENTAL FUND**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries in-kind	\$ 11,598	\$ 118	\$ 59	\$ 11,775
Allocation of undesignated funds	42,061	-	-	42,061
Accounting	1,961	523	131	2,615
Bank charges	1,617	34	-	1,651
Information systems	200	40	-	240
Miscellaneous	269	21	-	290
Postage	175	16	-	191
Printing	616	-	-	616
Rent	542	145	36	723
Telephone	-	103	-	103
Website expenses	298	-	-	298
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 59,337</u>	<u>\$ 1,000</u>	<u>\$ 226</u>	<u>\$ 60,563</u>

The accompanying notes are an integral part of these financial statements.

**MISSOURI ENVIRONMENTAL FUND**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from campaign donors	\$ 122,575
Cash paid to member organizations	(179,727)
Cash paid to suppliers	<u>(27,046)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(84,198)</u>
<b>CASH - BEGINNING OF YEAR</b>	<u>160,990</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ 76,792</u></u>

**RECONCILIATION OF CHANGE IN NET ASSETS  
TO NET CASH USED BY OPERATING ACTIVITIES**

<b>CHANGE IN NET ASSETS</b>	<u>\$ 8,469</u>
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
(Increase) decrease in assets:	
Receivables:	
Pledges	18,380
Rent	(3,336)
Increase (decrease) in liabilities:	
Accounts payable	(5,358)
Campaign funds payable to member organizations	<u>(102,353)</u>
TOTAL ADJUSTMENTS	<u>(92,667)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (84,198)</u></u>

The accompanying notes are an integral part of these financial statements.



**MISSOURI ENVIRONMENTAL FUND**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

1. **DESCRIPTION OF OPERATIONS**

Missouri Environmental Fund (the Organization) was incorporated in September 1993 in the State of Missouri. Its primary purpose is to generate support and recognition for its member organizations by implementing and coordinating workplace charitable giving programs. All members have the common goal of improving the environment.

The Organization's revenue and support including charitable giving program revenue currently comes from workplace giving campaigns at federal, state, and other government sectors, private corporations, and from individuals.

Effective July 1, 2014 the Missouri Environmental Fund D/B/A EarthShare of Missouri, elected to discontinue its partnership with EarthShare at the national level. The Organization has reverted to using its original legal name, Missouri Environmental Fund, from which it had never disaffiliated.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Statement Presentation** - In accordance with FASB Accounting Standard Codification Topic 958, *Not-For-Profit Entities*, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of June 30, 2016, the Organization did not have any temporarily or permanently restricted net assets.

**Contributions** - In accordance with FASB Accounting Standard Codification Topic 958, *Not-For-Profit Entities*, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor - restricted contributions are reported as increases (temporarily or permanently restricted support) depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted donations whose restrictions are accomplished within the same year as they are received are recorded as unrestricted donations.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

**Donated Services** - Donated services are recognized as contributions in accordance with FASB Accounting Standards Codification Topic 958, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and administrative tasks. Services that meet the criteria of FASB Accounting Standards Codification Topic 958 are recorded as in-kind donation of services.

The fair value of donated services included as a contribution in the financial statements and the corresponding program expenses was \$11,775 for the year ended June 30, 2016.

**Income Taxes** - The Organization is exempt from income taxes pursuant to Internal Revenue Code Section 501(c)(3) and is not a private foundation within the meaning of Section 509(a).

**Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Concentration of Cash** - The Organization maintains cash balances at one financial institution located in Missouri. All cash balances were insured by the Federal Deposit Insurance Corporation at June 30, 2016.

**Accounts Receivable** - Accounts receivable consists of rent due from the Combined Federal Campaign. An allowance for doubtful accounts is not deemed necessary by management as they write off few accounts.

**Equipment** - Equipment is recorded at cost and depreciated over the estimated useful life as follows:

<u>Major Group</u>	<u>Method</u>	<u>Life</u>
Equipment	Straight-line	5 years

All acquisitions of equipment in excess of \$2,500 are capitalized. All assets were fully depreciated for the year ended June 30, 2016.

**Member Dues** - Member organizations pay a one-time membership fee. Member dues are recorded as revenue when the organizations join.

**Pledges** - Campaigns generally take place in the fall of the calendar year. At that time, pledges are made for payroll deduction contributions for the upcoming calendar year. These campaign pledges are usually not reported to Missouri Environmental Fund until early in that upcoming year. When the pledge information is received, it is recorded as a receivable and revenue. As all pledges are expected to be collected within one year, they are recorded at their net realizable value. This is achieved by creating an allowance for estimated uncollectible pledges. Pledges by donors can be designated for certain member organizations or be undesignated. Undesignated amounts are, for the most part, shared equally among members. In the case of campaigns where an application process determines eligibility to participate, the undesignated funds from those specific campaigns, are only shared with organizations which were accepted to those campaigns.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

**Campaign Funds Payable to Member Organizations** - Cash received from campaigns, which is due to member organizations, is recorded as a current liability. Prior to the payment of the campaign receipts to the members, a board-approved percentage is deducted and recorded as administrative fees for raising funds on behalf of member organizations. This expense is included on the Statement of Functional Expenses under Program Services. The net amounts due member organizations remain a liability until paid. In addition, the revenue corresponding to net pledges receivable is included in this liability account.

**Expenses** - Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of management's analysis of time and expense. Program Services consists of costs associated with managing, maintaining, and increasing revenue sources for member organizations from existing workplace giving programs, adding new workplace giving programs, and increasing overall recognition and representation of the Organization and its members. Management and general expenses consist of costs related to general office management and financial reporting. Fundraising expenses consist mainly of costs associated with raising funds for general operating expenses. Staff time managing the Missouri Environmental Fund is volunteer time resulting in minimal management and fundraising expenses.

3. **PLEDGES RECEIVABLE**

Pledges receivable as of June 30, are as follows:

Receivable in less than one year:

Workplace charitable giving campaigns	\$	61,628
Less: allowance for uncollectible pledges		<u>( 3,492)</u>
Net Pledges Receivable	\$	<u><u>58,136</u></u>

4. **INCOME TAX**

FASB ASC Topic 740, *Income Taxes*, provides for the recognition of tax benefits related to uncertain tax positions. For the year ended June 30, 2016, management believes there are no material uncertain tax positions. The Organization files Form 990 Return of Organization Exempt From Income Tax. Returns prior to 2012 are closed.

5. **DISTRIBUTIONS TO MEMBER ORGANIZATIONS**

Missouri Environmental Fund distributed a proportionate share of receipts to member organizations based on donor designations and thereby honoring federation designations. By doing so, the Organization has complied with the provisions for charitable federations to apply for participation in the Combined Federal Campaign administered by the Office of Personnel Management.

6. **OPERATING LEASE**

On March 22, 2016, the Organization renewed a lease for office space. The lease term is for a one year period beginning April 1, 2016 through March 31, 2017 with the option of four one-year extensions. Annual rent expense under the lease is \$4,059. A portion of the space was sub-leased by a not-for-profit entity which pays \$3,336 per year resulting in a net rent of \$723 for the year ended June 30, 2016. Future minimum lease payments for the year ending June 30, 2017 is \$3,044. The future lease payments do not include the renewal options, as the Organization is not required to pay them as of June 30, 2016.

7. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 21, 2016, the date the financial statements were available to be issued.