

MEGAN MEIER FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2020



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Megan Meier Foundation

We have audited the accompanying financial statements of Megan Meier Foundation (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 Megan Meier Foundation 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.

Strategic Accounting Solutions

Firm's signature

Louisiana, MO
September 30, 2020

MEGAN MEIER FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

Cash	\$ 278,593	
Accounts Receivable	2,260	
Prepaid Expenses	1,794	
Leasehold Improvements and Equipment, Net	<u>7,077</u>	
Total Assets		<u><u>\$ 289,724</u></u>

LIABILITIES AND NET ASSETS

Liabilities		
Payroll Withholdings	\$ 3,893	
Deferred Revenue	2,600	
PPP Loan Proceeds	<u>24,001</u>	
Total Liabilities		30,494
Net Assets		
Without Donor Restrictions	255,230	
With Donor Restrictions	<u>4,000</u>	
Total Net Assets		<u>259,230</u>
Total Liabilities and Net Assets		<u><u>\$ 289,724</u></u>

MEGAN MEIER FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Changes in Net Assets

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions	\$ 26,899	\$ 4,000	\$ 30,899
Speaking Engagements	13,110	-	13,110
Leadership Workshops	4,900	-	4,900
Other Program Revenues	-	-	-
Fundraising Events	56,902	-	56,902
Miscellaneous Revenue	8,463	-	8,463
Grants	59,657	-	59,657
Interest Income	-	-	-
Net Assets Released From Restrictions	10,800	(10,800)	-
	<hr/>	<hr/>	<hr/>
Total Revenues	180,731	(6,800)	173,931
	<hr/>	<hr/>	<hr/>
Expenses			
Program Services	223,365	-	223,365
Supporting Services			
General and Administrative	13,373	-	13,373
Fundraising	18,503	-	18,503
	<hr/>	<hr/>	<hr/>
Total Expenses	255,241	-	255,241
	<hr/>	<hr/>	<hr/>
Increase in Net Assets	(74,510)	(6,800)	(81,310)
Net Assets at Beginning of Year	329,740	10,800	340,540
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Net Assets at End of Year	\$ 255,230	\$ 4,000	\$ 259,230
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MEGAN MEIER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Resource Center	Total						Total
		Speaking	Leadership Workshops	Other Programs	Program Services	General and Administrative	Fund-raising	
Accounting Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,400
Annual Appeal	-	-	-	-	-	1,075	-	1,075
Depreciation	3,480	1,215	604	286	5,585	73	-	5,731
Fundraising Events	-	-	-	-	-	-	15,285	15,285
Insurance	-	-	-	-	-	-	1,636	1,636
Leadership Conferences	-	-	5,488	-	-	5,488	-	5,488
Miscellaneous	10,054	3,511	1,744	826	16,135	-	-	16,135
Occupancy	10,175	5,494	2,729	1,952	20,350	266	-	20,883
Office Expenses	779	779	387	1,633	3,578	47	267	3,672
Resource Center	2,706	945	470	222	4,343	-	-	4,343
Salaries and Wages	80,551	28,132	13,976	6,610	129,269	1,692	1,692	132,653
Payroll Taxes	6,569	2,294	1,140	539	10,542	-	-	10,542
Telephone	3,040	1,062	527	249	4,878	64	64	5,006
Therapist	18,326	-	-	-	18,326	-	-	18,326
Travel	-	2,109	-	-	2,109	-	-	2,109
All Other Expenses	1,721	601	299	141	2,762	1,195	-	3,957
Total Expenses	\$ 137,401	\$ 46,142	\$ 27,364	\$ 12,458	\$ 223,365	\$ 13,373	\$ 18,503	\$ 255,241

The notes to financial statements are an integral part of these statements

MEGAN MEIER FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in Net Assets	\$ (81,310)
Adjustments to Reconcile Change in Net Assets to Net Cash Used By Operating Activities:	
Depreciation	5,731
Changes in Operating Assets and Liabilities	
Accounts Receivable	(2,262)
Prepaid Expenses	(71)
Payroll Withholdings	5
Deferred Revenue	(4,700)
PPP Loan Proceeds	<u>24,001</u>
Net Cash used by Operating Activities	<u>(58,606)</u>
Net Decrease in Cash and Cash Equivalents	(58,606)
Cash and Cash Equivalents at Beginning of Year	<u>337,199</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 278,593</u></u>
Supplemental Disclosure:	
Cash Paid for Interest	<u><u>\$ -</u></u>
Cash Paid for Income Taxes	<u><u>\$ -</u></u>

MEGAN MEIER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Note 1—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Organization was incorporated in the State of Missouri on December 12, 2007, as a not-for-profit corporation. The Organization was formed to bring awareness, education, and promote positive change to children, parents, and educators in response to the ongoing bullying and cyberbullying in our children's daily environment. Programs are the Resource Center which include counseling, speaking engagements to students, parents, and educators in schools, leadership conferences, and other programs of community outreach. Revenue comes from fees for speaking engagements and conferences, direct donations, grants, and fundraising events.

Financial Statement Presentation

Megan Meier Foundation reports information regarding its financial position and activities according to two classes of net assets (with and without donor restrictions) based upon the existence or absence of donor-imposed restrictions.

Megan Meier Foundation reports contributions received as with or without restrictions support, depending on the existence and/or nature of any donor restrictions.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for speaking engagements and conferences. If necessary, we determine the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. As of June 30, 2020, no amounts are expected to become uncollectable.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, assets with donor restrictions are reclassified to assets without donor restrictions. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using the present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions and a review of subsequent collections. No promises to give as of the year ended June 30, 2020.

MEGAN MEIER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Note 1—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES(continued)

Leasehold Improvements and Equipment

Leasehold Improvements and Equipment are carried at cost, if purchased, or at fair value, if donated, less accumulated depreciation computed using the straight-line method over the estimated useful lives. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of Leasehold Improvements and Equipment are reviewed for impairment whenever events of circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There are no indicators of asset impairment during the year ended June 30, 2020.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Accordingly, actual results could differ from those estimates, and those differences could be material.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions= Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

MEGAN MEIER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Note 1—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES(continued)

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, principally in membership development, fundraising and other programs; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. The Organization records donations of securities, materials, facilities (and use thereof), and other non-monetary items at fair market value when received, provided the Organization has a clearly measurable and objective basis for determining their value. If values are not reasonably determinable, the donations are not recorded. The Organization recognized \$5,961 of additional rental income and expense on their below market lease.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of activities and statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expense Allocation:

Expenses are charged to program services and supporting activities on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes:

The Organization is organized as Missouri nonprofit organization and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organization described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi), and have been determined not to be private foundation under IRC Section 509(a)(1). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Note 2—LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following.

Cash	278,593
Less: Restrictions for the scholarship fund	3,000
Restrictions for counseling program	1,000
	<u>\$ 274,593</u>

MEGAN MEIER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Note 3—OFF-STATEMENT OF FINANCIAL POSITION RISK AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash, cash equivalents and investments held in financial institutions. At times such instruments may be in excess of FDIC, SIPC and third party insured limits. The Organization does not consider cash balances to be at significant risk.

Note 4—LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Fixed Assets consist of:

Leasehold Improvements	\$24,073
Equipment	3,290
Less: Accumulated Depreciation	<u>(20,286)</u>
	\$ 7,077

Depreciation was \$5,731 for the year ended June 30, 2020.

Note 5—LEASES

During 2017, the Organization entered into a five-year lease for office space in Saint Charles, Missouri expiring July 31, 2021.

At June 30, 2019, the minimum lease payments under the terms of all lease agreements were as follows:

<u>For the year Ended June 30,</u>	<u>Amount</u>
2021	11,331
2022	<u>948</u>
	<u>\$ 12,279</u>

The lease expense for office space for the year ended June 30, 2019, was \$18,000 which included a fair value donation adjustment of \$5,961.

Note 6—NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions are restricted for the scholarship fund of \$3,000 and for the counseling program of \$1,000, totaling \$4,000. No time restrictions. Assets held for the 2020 Trivia night were released upon completion of the event.

MEGAN MEIER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Note 7—REACH

During the year ended June 30, 2020, the Organization presented to 115 elementary school students, 975 middle school students, 8,247 high school students, and 4,207 parents, educators, and others at a total program cost of \$4.32 per unit. *Due to COVID-19 many speaking engagements, in school group counseling at Jefferson Intermediate, community events, and student leadership workshops were cancelled.

Note 8—FUNCTIONAL ALLOCATION OF EXPENSES

Functional expense allocations were based upon specification identification or based upon time spent. Functional expense percentages are as follows:

Program Services	87.51%
General and Administrative	5.24%
Fundraising	7.25%

Note 8—SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 27, 2020, the date which the financial statements were available for issue.

On April 21, 2020, the Organization received a Paycheck Protection Program Loan through the U.S. Small Business Association in the amount of \$26,300. The loan is eligible for forgiveness upon meeting certain requirements. The Organization anticipates that it will meet the requirements for forgiveness. If the loan is not forgiven, the loan will be repaid with interest at one percent beginning November 2020, with the final payment due November 2022.

Subsequent to the close of the fiscal year ended June 30, 2020, the Organization was awarded 3 years of funding from the United Way Grant. The amount realized is indeterminable at this time.

Note 9—UNCERTAIN INCOME TAX POSITIONS

The Financial Accounting Standards Board (FASB) has issued a financial reporting standard effective in 2013 that requires disclosure and possibly recognition of uncertain income tax positions in financial statements for all entities that report under U.S. generally accepted accounting principles, including tax-exempt organizations. For an exempt organization, an uncertain tax position might be one that potentially affects the organization's tax exempt status or that affects whether or not it is subject to unrelated business income tax on some if its revenue and the amount of such tax. Under current accounting standards, uncertain tax positions are required to be recorded and disclosed only if it is probable a claim will be asserted and there is a reasonable possibility that the outcome will be unfavorable. Megan Meier Foundation believes it has no uncertain tax positions that qualify for either recognition or disclosure in its financial statements under current standards or the new standard. The organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The organization believes it is no longer subject to income tax examinations for years prior to 2014.