



FINANCIAL STATEMENTS

December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Everyone Cooperating to Help Others, Inc.
Janesville, Wisconsin

We have audited the accompanying financial statements of Everyone Cooperating to Help Others, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 Everyone Cooperating to Help Others, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Wegner CPAs LLP

Wegner CPAs, LLP
Janesville, Wisconsin
October 29, 2021

EVERYONE COOPERATING TO HELP OTHERS, INC
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 699,956	\$ 243,503
Grants receivable	64,261	34,738
Unconditional promises to give	48,000	39,333
Prepaid expenses	8,433	5,784
Property and equipment, net	<u>1,124,955</u>	<u>1,188,471</u>
Total assets	<u>\$ 1,945,605</u>	<u>\$ 1,511,829</u>
LIABILITIES		
Accounts payable	\$ 14,542	\$ 17,751
Other accrued liabilities	<u>7,006</u>	<u>3,771</u>
Total liabilities	21,548	21,522
NET ASSETS		
Without donor restrictions	1,744,365	1,319,806
With donor restrictions	<u>179,692</u>	<u>170,501</u>
Total net assets	<u>1,924,057</u>	<u>1,490,307</u>
Total liabilities and net assets	<u>\$ 1,945,605</u>	<u>\$ 1,511,829</u>

See accompanying notes.

EVERYONE COOPERATING TO HELP OTHERS, INC
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020	2019
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contributions		
Church	\$ 138,355	\$ 106,205
Individual	615,113	286,969
Group and business	223,941	146,964
Foundations	111,693	112,626
In-kind	3,177,002	3,668,651
Grant revenue	327,612	213,993
Paycheck Protection Program	80,000	-
Special events, net of costs of direct benefits to donors	10,311	72,994
Miscellaneous income	1,944	2,022
Total revenues without donor restrictions	4,685,971	4,610,424
EXPENSES		
Program services		
Housing services	696,581	553,525
Food services	3,472,500	3,770,171
Other services	70,219	81,419
Supporting activities		
Management and general	41,767	37,506
Fundraising	24,678	28,711
Total expenses	4,305,745	4,471,332
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of time restrictions	39,333	52,166
Satisfaction of purpose restrictions	5,000	10,013
Change in net assets without donor restrictions	424,559	201,271
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	53,524	169,333
Net assets released from restrictions	(44,333)	(62,179)
Change in net assets with donor restrictions	9,191	107,154
Change in net assets	433,750	308,425
Net assets at beginning of year	1,490,307	1,181,882
Net assets at end of year	\$ 1,924,057	\$ 1,490,307

See accompanying notes.

EVERYONE COOPERATING TO HELP OTHERS, INC
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program Services			Supporting Activities			Total Expenses
	Housing Services	Food Services	Other Services	Management and General	Fundraising	Costs of Direct Benefit to Donors	
Direct assistance	\$ 372,183	\$ 3,195,825	\$ 47,126	\$ -	\$ -	\$ -	\$ 3,615,134
Personnel	248,382	201,930	9,179	9,790	9,179	-	478,460
Professional fees	2,765	592	592	18,285	-	-	22,234
Occupancy	1,677	16,131	267	375	296	-	18,746
Repairs and maintenance	13,289	37,623	3,311	1,624	1,624	-	57,471
Information technology	5,769	4,615	692	231	231	-	11,538
Postage and printing	1,277	55	55	3,345	9,548	-	14,280
Supplies	1,099	440	220	220	220	3,236	5,435
Insurance	2,427	2,426	2,426	404	404	-	8,087
Depreciation	38,110	12,703	6,351	3,176	3,176	-	63,516
Interest and fees	-	-	-	3,880	-	-	3,880
Travel, meals and entertainment	7,855	160	-	-	-	-	8,015
Staff development	1,748	-	-	437	-	-	2,185
Total expenses	696,581	3,472,500	70,219	41,767	24,678	3,236	4,308,981
Less the costs of direct benefit to donors	-	-	-	-	-	(3,236)	(3,236)
Total expenses per the statements of activities	\$ 696,581	\$ 3,472,500	\$ 70,219	\$ 41,767	\$ 24,678	\$ -	\$ 4,305,745

See accompanying notes.

EVERYONE COOPERATING TO HELP OTHERS, INC
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	Program Services			Supporting Activities			Total Expenses
	Housing Services	Food Services	Other Services	Management and General	Fundraising	Costs of Direct Benefit to Donors	
Direct assistance	\$ 250,213	\$ 3,541,018	\$ 60,990	\$ -	\$ -	\$ -	\$ 3,852,221
Personnel	240,760	178,597	8,118	8,732	8,118	-	444,325
Professional fees	3,101	664	664	17,430	-	-	21,859
Occupancy	1,763	16,719	268	389	8,864	-	28,003
Repairs and maintenance	6,069	14,830	1,409	674	674	-	23,656
Information technology	2,903	2,323	348	116	116	-	5,806
Postage and printing	1,115	49	49	2,876	7,166	-	11,255
Supplies	792	318	158	158	158	6,825	8,409
Insurance	3,209	3,209	3,209	535	535	-	10,697
Depreciation	36,820	12,273	6,137	3,068	3,068	-	61,366
Interest and fees	-	-	-	3,091	-	-	3,091
Travel, meals and entertainment	5,012	102	-	-	-	6,474	11,588
Staff development	1,699	-	-	425	-	-	2,124
Other	69	69	69	12	12	-	231
Total expenses	553,525	3,770,171	81,419	37,506	28,711	13,299	4,484,631
Less the costs of direct benefit to donors	-	-	-	-	-	(13,299)	(13,299)
Total expenses per the statements of activities	\$ 553,525	\$ 3,770,171	\$ 81,419	\$ 37,506	\$ 28,711	\$ -	\$ 4,471,332

See accompanying notes.

EVERYONE COOPERATING TO HELP OTHERS, INC
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 433,750	\$ 308,425
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Donated property	-	(135,000)
Depreciation	63,516	61,366
(Increase) decrease in assets		
Grants receivable	(29,523)	(2,681)
Unconditional promises to give	(8,667)	12,833
Prepaid expenses	(2,649)	(603)
Increase (decrease) in liabilities		
Accounts payable	(3,209)	(3,445)
Other accrued liabilities	3,235	725
Net cash flows from operating activities	456,453	241,620
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(14,257)
Net change in cash	456,453	227,363
Cash at beginning of year	243,503	16,140
Cash at end of year	<u>\$ 699,956</u>	<u>\$ 243,503</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 392	\$ 1,684
Noncash investing activity		
Donated property	-	135,000

See accompanying notes.

EVERYONE COOPERATING TO HELP OTHERS, INC
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Everyone Cooperating to Help Others, Inc. (ECHO) is a publicly supported nonprofit organization that accepts cash donations for rent and utility assistance, food, lodging, and other needs as well as contributions of personal supplies for distribution to eligible needy individuals in the Janesville, Wisconsin area.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. At December 31, 2020 and 2019, all unconditional promises to give are receivable in less than one year.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. In some instances, a funding source may have a reversionary interest in property and equipment purchased with grant funds.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Government Grants

ECHO receives grants from government agencies and others that are conditioned upon ECHO incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by ECHO, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions.

EVERYONE COOPERATING TO HELP OTHERS, INC
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Donated Food, Toys, and School Supplies

Donated food is valued using a weighted average wholesale price per pound of \$2.00 and \$1.65 for the years ended December 31, 2020 and 2019, respectively, as determined by the Feeding America national food bank network. Contributions of commodity food are valued using guidelines provided by the United States Department of Agriculture. Donated food items distributed through ECHO'S food pantry are recognized as expenses in the food services program. Donated toys and school supplies are valued at \$1 per item and recorded as contributions and expenses upon donation.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy which is allocated on a square-footage basis, as well as personnel, insurance, and depreciation, which are allocated on the basis of estimates of time and effort.

The following program services and supporting activities are included in the accompanying financial statements:

Housing services—Housing services fall into two sub-categories, both of which include case management: lodging in motels and rent assistance. Lodging in motels is provided to homeless people for 1-6 weeks. This plan is customized to the person's personal struggles and barriers to self-sufficiency. Rent assistance is usually one-month assistance once a year, unless the person is part of a grant-specific program allowing for multiple months of rent assistance, coupled with other support services and monthly case management. Case management is customized to the individual's needs and may include budgeting, credit, leases, communication, home care, tenant, and landlord rights, linking to other community services, etc.

Food services—Provides groceries from the food pantry, consisting of a week's supply of food for a family, once-a-month. ECHO also serves people through its other food services, such as baby food, senior stock boxes, community meal, farmers market, Thanksgiving groceries, Christmas dinner, and emergency food at grocery stores. ECHO also helps other pantries, nursing and group homes, senior centers, and other groups when they have an abundance of certain items, for example: bread, produce, snacks, etc.

Other services—Includes transportation, household goods, personal supplies, school supplies, and much more. Just a few of these services include gasoline, bus tokens, school supplies, and Christmas gifts to children through ECHO's Christmas adopt-a-family program.

EVERYONE COOPERATING TO HELP OTHERS, INC
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management and general—Includes accounting and production of financial reports, oversight of the annual budget, supervision of departments and programs, maintenance of personnel records, attending general board and committee meetings, and any other administrative and office services necessary for ECHO.

Fundraising—Provides the structure necessary to encourage and secure private financial support from churches, individuals, foundations, and corporations.

Paycheck Protection Program Loan

ECHO received a loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. ECHO expects to meet the PPP's eligibility criteria and believes the loan is, in substance, a grant that is expected to be forgiven. ECHO recognizes amounts expected to be forgiven as revenue when it incurs qualifying expenses.

Income Tax Status

ECHO is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, ECHO qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Date of Management's Review

Management has evaluated subsequent events through October 29, 2021, the date which the financial statements were available to be issued.

NOTE 2—PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2020	2019
Building	\$ 1,439,732	\$ 1,439,732
Land	15,000	15,000
Furniture and equipment	168,640	168,640
Vehicles	43,049	43,049
Land improvements	33,184	33,184
Accumulated depreciation	(574,650)	(511,134)
Property and equipment, net	\$ 1,124,955	\$ 1,188,471

EVERYONE COOPERATING TO HELP OTHERS, INC
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 2—CONCENTRATION OF CREDIT RISK

ECHO maintains its cash balances in one financial institution located in Janesville, Wisconsin. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020 ECHO's uninsured cash balances total approximately \$473,000. There were no uninsured cash balances at December 31, 2019.

NOTE 3—LINE OF CREDIT

ECHO has an unsecured \$60,000 line of credit that was unused at December 31, 2020. In 2019, ECHO's line of credit was \$50,000 and was unused at December 31, 2019. Advances on the line carry an interest rate of 1% over prime (4.75% and 5.5% at December 31, 2020 and 2019).

NOTE 4—NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2020	2019
Education fund	\$ 1,692	\$ 1,168
Emergency rent assistance	125,000	125,000
Food pantry	5,000	5,000
Promises to give, without donor restrictions, but which are unavailable for expenditure until due	48,000	39,333
Net assets with donor restrictions	\$ 179,692	\$ 170,501

NOTE 5—COMPONENT FUNDS HELD BY COMMUNITY FOUNDATION

ECHO is the beneficiary of two component funds of the Community Foundation of Southern Wisconsin, Inc.: the ECHO Endowment Fund and the Sandgren Education Fund. Component funds of the Foundation are established by donors for the benefit of the community, and, when these funds are established, donors may indicate what organizations or causes should benefit from distributions from the fund. However, donors also grant the Foundation variance power that allows the Foundation to modify the donors' stipulations under certain circumstances as the Foundation monitors the changing needs of the community. Therefore, the funds are not included in the accompanying financial statements. At December 31, 2020 and 2019, the balances of the ECHO Endowment Fund were \$42,676 and \$39,447, and the balances of the Sandgren Education Fund were \$35,027 and \$32,361, respectively. ECHO received distributions of \$1,514 and \$2,904 from the ECHO Endowment Fund during the years ended December 31, 2020 and 2019 and received distributions of \$1,230 and \$1,199 from the Sandgren Education Fund during the years ended December 31, 2020 and 2019, respectively.

NOTE 6—CONDITIONAL PROMISES TO GIVE

ECHO has grants that are conditioned upon ECHO incurring qualifying expenses under the grant programs. At December 31, 2020, these conditional grants totaled \$293,908. These conditional grants will be recognized when the respective conditions are met in future years.

EVERYONE COOPERATING TO HELP OTHERS, INC
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 7—PAYCHECK PROTECTION PROGRAM LOAN

On April 15, 2020, ECHO received a \$80,000 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). On November 18, 2020, the SBA preliminarily approved forgiveness of the loan. ECHO must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review ECHO's good-faith certification concerning the necessity of its loan request, whether ECHO calculated the loan amount correctly, whether ECHO used loan proceeds for the allowable uses specified in the CARES Act, and whether ECHO is entitled to loan forgiveness in the amount claimed on its application. If SBA determines ECHO was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

NOTE 8—LIQUIDITY AND AVAILABILITY

The following table reflects ECHO's financial assets as of December 31, 2020 and 2019, reduced by amounts not available to meet cash needs for general expenditures within one year of the dates of the statements of financial position because of donor-imposed restrictions.

	2020	2019
Financial assets at end of year	\$ 812,217	\$ 317,574
Less those unavailable for general expenditures with one year		
Restricted by donor with purpose restrictions	(131,692)	(131,168)
Financial assets available to meet cash needs for general expenditures within one year	\$ 680,525	\$ 186,406

ECHO strives to maintain liquid financial assets sufficient to cover 90 days of expenses. In the event of an unanticipated liquidity need, ECHO also could draw upon a \$60,000 line of credit (as further discussed in Note 3).

NOTE 9—EFFECTS OF COVID-19

ECHO's operations may be affected by the ongoing COVID-19 outbreak that was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption and effect on ECHO is uncertain; however, it may result in a material adverse impact on ECHO's financial position, activities, and cash flows. Possible effects may include, but are not limited to, disruption to ECHO's donors and revenues, absenteeism in ECHO's workforce, and unavailability of supplies used in ECHO's programs.