THE WHITLOCK CO.

CPAs and Consultants

UNITED WAY OF THE OZARKS, INC.

FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2019 AND 2018

THE WHITLOCK CO.

CPAs and Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of the Ozarks, Inc.
Springfield, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of **United Way of the Ozarks, Inc.** (United Way), which comprise the statements of financial position as of June 30, 2019 and 2018, 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.

3271 East Battlefield, Suite 300, Springfield, MO 65804 • **Phone** 417-881-0145 • **Fax** 417-881-1016
3929 East 7th Street, Suite C, Joplin, MO 64801 • **Phone** 417-206-0508 • **Fax** 417-206-1718
9229 Ward Parkway, Suite 110, Kansas City, MO 64114 • **Phone** 913-671-8600 • **Fax** 913-671-8601

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **United Way of the Ozarks, Inc.** as of June 30, 2019 and 2018, and the change in its net assets and its cash flow for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Agency Allocations, Schedule of Special Allocations, and Historical Information Loss on Collections are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

THE WHITLOCK CO., LLP

Springfield, Missouri
November 13, 2019

STATEMENTS OF FINANCIAL POSITION

UNITED WAY OF THE OZARKS, INC.

STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30, 2019	June 30, 2018
Current assets		
Cash and cash equivalents	$ 403,082	$ 316,941
Short-term investments	154,907	152,116
Pledge receivables		
Current campaign, net	3,332	1,569
Prior campaign, net	941,234	1,010,779
Prepaid expenses	6,089	9,825
Other receivables	16,738	31,899
Total current assets	1,525,382	1,523,129
Non-current		
Cash surrender value of life insurance policy	33,921	33,233
Long-term investments	464,841	423,840
Fixed assets, net	171,189	187,522
Total non-current assets	669,951	644,595
Total assets	$ 2,195,333	$ 2,167,724

LIABILITIES AND NET ASSETS

	2019	2018
Liabilities		
Accounts payable	$ 64,000	$ 62,172
Accrued salaries	12,757	9,655
Accrued vacation	15,278	14,970
Due to agencies	779,289	817,931
Deferred credits	25,000	-
Total liabilities	896,324	904,728
Net assets		
Without donor restriction		
Undesignated	17,556	9,807
Board designated	464,841	423,840
Total without donor restriction	482,397	433,647
With donor restriction	816,612	829,349
Total net assets	1,299,009	1,262,996
Total liabilities and net assets	$ 2,195,333	$ 2,167,724

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

STATEMENTS OF ACTIVITIES

UNITED WAY OF THE OZARKS, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
Revenue and other support						
Campaign - current allocation period						
Contributions received	$ -	$ 2,502,120	$ 2,502,120	$ -	$ 2,578,943	$ 2,578,943
Contributions received - released from restrictions	2,458,284	(2,458,284)	-	2,040,232	(2,040,232)	-
Less donor designations	-	(200,764)	(200,764)	-	(189,852)	(189,852)
Less allowance for uncollectible pledges	-	(213,918)	(213,918)	-	(164,307)	(164,307)
Total campaign - current period	2,458,284	(370,846)	2,087,438	2,040,232	184,552	2,224,784
Campaign - next allocation period						
Contributions received	-	42,572	42,572	-	23,952	23,952
Total campaign - next allocation period	-	42,572	42,572	-	23,952	23,952
Total campaign	2,458,284	(328,274)	2,130,010	2,040,232	208,504	2,248,736
Administration Fees	1,009	-	1,009	3,072	-	3,072
Program income	-	276,140	276,140	10,000	-	10,000
Miscellaneous income	43,813	38,541	82,354	81,560	-	81,560
Unrealized gain on designated quasi-endowments	12,118	-	12,118	20,215	-	20,215
Interest and dividends from designated quasi-endowments	10,981	-	10,981	1,644	-	1,644
Interest and dividends from investments	12,653	856	13,509	4,023	632	4,655
Service fee income	132,799	-	132,799	178,356	-	178,356
In-kind contributions	484	-	484	2,323	-	2,323
Total revenue and other support	$ 2,672,141	$ (12,737)	$ 2,659,404	$ 2,341,425	$ 209,136	$ 2,550,561

(continued)

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

UNITED WAY OF THE OZARKS, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

(continued)

	2019			2018		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
Total revenue and support	$ 2,672,141	$ (12,737)	$ 2,659,404	$ 2,341,425	$ 209,136	$ 2,550,561
Expenses						
Program services						
Community investment	1,577,822	-	1,577,822	1,712,430	-	1,712,430
Labor	26,808	-	26,808	24,508	-	24,508
Public relations	96,752	-	96,752	58,939	-	58,939
United Way projects	256,516	-	256,516	46,108	-	46,108
Total program services	1,957,898	-	1,957,898	1,841,985	-	1,841,985
Support services						
Fundraising	280,840	-	280,840	258,414	-	258,414
Management and general	384,653	-	384,653	449,207	-	449,207
Total support services	665,493	-	665,493	707,621	-	707,621
Total expenses	2,623,391	-	2,623,391	2,549,606	-	2,549,606
Change in net assets	48,750	(12,737)	36,013	(208,181)	209,136	955
Net assets - beginning of period	433,647	829,349	1,262,996	641,828	620,213	1,262,041
Net assets - end of period	$ 482,397	$ 816,612	$ 1,299,009	$ 433,647	$ 829,349	$ 1,262,996

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

UNITED WAY OF THE OZARKS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	PROGRAM SERVICES					SUPPORT SERVICES		
	Community Investment	Labor	Public Relations	United Way Projects	Total Program Services	Fundraising	Management and General	Totals
Salaries and related expenses	$ 121,642	$ 21,014	$ 46,393	$ 127,986	$ 317,035	$ 200,141	$ 297,700	$ 814,876
Professional fees	3,704	544	935	42,522	47,705	7,155	26,419	81,279
Supplies and materials	2,439	354	1,188	25,227	29,208	9,522	6,521	45,251
Telephone	1,831	292	399	-	2,522	3,305	6,109	11,936
Occupancy	7,099	1,249	1,808	-	10,156	11,500	12,242	33,898
Insurance	842	148	216	-	1,206	1,339	1,126	3,671
Printing	207	124	8,924	616	9,871	3,679	377	13,927
Local travel	163	95	197	457	912	3,219	1,034	5,165
Trainings	1,203	43	127	459	1,832	7,660	375	9,867
Educational programming	2,446	42	410	3,970	6,868	2,636	2,193	11,697
Membership dues	2,471	736	2,793	-	6,000	1,933	2,703	10,636
Equipment maintenance	522	76	90	44	732	4,341	3,670	8,743
Annual meeting	-	-	14,371	-	14,371	-	-	14,371
Public education	21,105	1	1,539	20,772	43,417	39	4	43,460
Contractual services	458	110	13,056	34,281	47,905	3,089	2,160	53,154
Miscellaneous expenses	238	48	140	182	608	507	3,063	4,178
United Way Worldwide dues	7,762	1,119	1,235	-	10,116	12,261	6,812	29,189
Special allocations	61,581	-	-	-	61,581	-	-	61,581
In-kind expenditures	-	-	-	-	-	-	484	484
Total expenses before depreciation and other expenses	235,713	25,995	93,821	256,516	612,045	272,326	372,992	1,257,363
Depreciation of fixed assets	7,369	813	2,931	-	11,113	8,514	11,661	31,288
Total expenses before other expenses	243,082	26,808	96,752	256,516	623,158	280,840	384,653	1,288,651
Agency allocation	1,535,504	-	-	-	1,535,504	-	-	1,535,504
Less donor designations	(200,764)	-	-	-	(200,764)	-	-	(200,764)
Total expenses	$ 1,577,822	$ 26,808	$ 96,752	$ 256,516	$ 1,957,898	$ 280,840	$ 384,653	$ 2,623,391

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

UNITED WAY OF THE OZARKS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	PROGRAM SERVICES					SUPPORT SERVICES		
	Community Investment	Labor	Public Relations	United Way Projects	Total Program Services	Fundraising	Management and General	Totals
Salaries and related expenses	$ 137,309	$ 18,353	$ 32,113	$ -	$ 187,775	$ 183,485	$ 322,452	$ 693,712
Professional fees	1,272	326	270	-	1,868	2,618	40,336	44,822
Supplies and materials	2,668	614	1,618	-	4,900	8,430	8,279	21,609
Telephone	2,050	441	553	-	3,044	3,542	5,923	12,509
Occupancy	8,010	1,775	2,345	-	12,130	13,527	21,798	47,455
Insurance	979	204	204	-	1,387	1,174	2,005	4,566
Printing	315	81	1,732	-	2,128	7,958	4,857	14,943
Local travel	402	27	109	-	538	2,172	3	2,713
Trainings	417	5	114	-	536	3,341	5,668	9,545
Educational programming	2,691	-	300	-	2,991	1,319	6,933	11,243
Membership dues	862	703	1,234	-	2,799	1,525	2,513	6,837
Equipment maintenance	491	108	147	-	746	4,692	4,173	9,611
Annual meeting	-	-	14,880	-	14,880	333	-	15,213
Public education	14,891	-	10	43,608	58,509	-	1,297	59,806
Contractual services	1,292	188	802	2,500	4,782	1,809	1,354	7,945
Miscellaneous expenses	18	-	-	-	18	-	2,686	2,704
United Way Worldwide dues	6,217	1,150	1,228	-	8,595	16,873	6,845	32,313
Special allocations	71,875	-	-	-	71,875	-	-	71,875
In-kind expenditures	-	-	-	-	-	-	2,323	2,323
Total expenses before depreciation and other expenses	251,759	23,975	57,659	46,108	379,501	252,798	439,445	1,071,744
Depreciation of fixed assets	5,593	533	1,280	-	7,406	5,616	9,762	22,784
Total expenses before other expenses	257,352	24,508	58,939	46,108	386,907	258,414	449,207	1,094,528
Agency allocation	1,644,930	-	-	-	1,644,930	-	-	1,644,930
Less donor designations	(189,852)	-	-	-	(189,852)	-	-	(189,852)
Total expenses	$ 1,712,430	$ 24,508	$ 58,939	$ 46,108	$ 1,841,985	$ 258,414	$ 449,207	$ 2,549,606

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

UNITED WAY OF THE OZARKS, INC.

STATEMENTS OF CASH FLOWS

	Years ended June 30, 2019	Years ended June 30, 2018
Cash flows from operating activities		
Campaign contributions - current period	$ 2,155,220	$ 2,288,731
Campaign contributions - next allocation period	42,572	23,952
Federal and state grants	26,009	3,072
Program income	276,140	10,000
Miscellaneous income	230,798	230,340
Interest income	24,490	6,299
Direct payments to agencies	(1,373,382)	(1,493,545)
Salaries and related expenditures	(811,466)	(692,240)
Other operating expenditures	(437,612)	(353,845)
Net cash provided by operating activities	132,769	22,764
Cash flows from investing activities		
Purchase of fixed assets	(14,954)	(86,803)
Purchase of investments	(44,598)	(2,270)
Sale of investments	12,924	4,103
Net cash used in investing activities	(46,628)	(84,970)
Increase (decrease) in cash and cash equivalents	86,141	(62,206)
Cash and cash equivalents at beginning of period	316,941	379,147
Cash and cash equivalents at end of period	$ 403,082	$ 316,941

(continued)

UNITED WAY OF THE OZARKS, INC.

STATEMENTS OF CASH FLOWS

(continued)

	Years ended June 30,	
	2019	2018
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	$ 36,013	$ 955
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	31,287	22,784
Unrealized gain on designated quasi-endowments	(12,118)	(20,215)
Decrease (increase) in:		
Pledges receivable	67,782	63,947
Accounts receivable	15,161	(31,899)
Prepaid expenses	3,736	(4,946)
Increase (decrease) in:		
Accounts payable	1,140	29,133
Accrued salaries	3,102	(420)
Accrued vacation payable	308	1,892
Due to other agencies	(38,642)	(38,467)
Net cash provided by operating activities	$ 132,769	$ 22,764

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

UNITED WAY OF THE OZARKS, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

1. Summary of significant accounting policies

Nature of activities

United Way of the Ozarks, Inc. (United Way) was incorporated October 27, 1930 as an independently operated non-profit corporation whose mission is improving lives in the Ozarks by raising funds and uniting community support around our communities' critical needs and red flags in 14 counties in Southwest Missouri. United Way develops financial resources through an annual community-based resource development effort soliciting employee and corporate donations from businesses, health and education institutions, public service agencies, and organized labor. The development of financial resources from individuals, governmental and foundation sources, and the recruitment and mobilization of volunteers is also a core function of United Way.

United Way also has a lead role in the assessment of local community needs and develops an annual volunteer-driven investment plan to direct its resources to address critical issues. United Way is not a unit or chapter of any national organization. United Way is governed by a volunteer Board of Directors that hires and employs professional staff to carry out the day-to-day operations of the organization. Election of the board occurs at the annual meeting upon nomination by a standing committee from the board.

Promises to give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions are reported either in the without donor restriction net asset class, or the with donor restriction net asset class. United Way reports all contributions that are restricted by donor in the with donor restriction net asset class. When the restriction expires, the with donor restriction net assets are reclassified to the without donor restriction net asset class.

If a restriction expires in the same fiscal year as the contribution is received, the contribution is reported in the without donor restriction class.

Amounts from the fall campaign are due within one year. Often the completion of campaign collections is not until early in the following year. However, since pledges are actually due within one year, the amounts have not been discounted to present value, as any difference due to present value calculations is deemed insignificant.

The United Way uses the allowance method to estimate uncollectible pledges receivable. The allowance estimate is based on prior years' collection experience.

Basis of accounting

Revenues and expenditures are recognized on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when both measurable and available. Expenditures under the accrual basis of accounting are recorded when the liability is incurred.

Financial statement presentation

United Way's financial statements are presented in accordance with Financial Accounting Standards Board (FASB) *Codification Topic 958*, "Not-For-Profit Entities." Under FASB *Codification Topic 958*, the United Way reports information regarding its financial position and activities according to two classes of net assets: with donor restriction and without donor restriction. The classification of net assets into two categories is based on the existence or absence of donor-imposed restrictions, stipulations that specify a use for a contributed asset that is more specific than broad limits resulting from United Way's basic mission and environment in which it operates.

The FASB issued *ASU 2016-14 Presentation of Financial Statements for Not-for-Profit Entities, (ASU 2016-14)* in August 2016. *ASU 2016-14* improves the current net asset classification requirements and the information presented in the financial statements and notes about United Way's liquidity, financial performance, and cash flows. The new standard is effective for fiscal years beginning after December 15, 2017. United Way has implemented the new standard on their financial statements for fiscal year-ending June 30, 2019.

Contributions

In accordance with the requirements of FASB *Codification Topic 958,* United Way records its current year pledges receivable in the net assets with donor restriction classification until they are released from restrictions, when they are reclassified to net assets without donor restriction.

In accordance with FASB *Codification Topic 958,* funds which have been designated by the donor to agencies outside of United Way are reported as a reduction of total campaign revenue, as required by FASB *Codification Topic 958.* Amounts which have been treated in this manner for the years ended June 30, 2019 and 2018 total $200,764 and $189,852.

Cash and cash equivalents

For purposes of the statement of cash flows, United Way considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and equipment

Property and equipment are stated at cost or at their fair market value if donated and are reported in the without donor restriction net asset class. All long-lived assets with a cost, or fair market value if donated, of $1,000 or greater are capitalized and depreciated. Depreciation is computed on a straight-line basis over the useful life of the asset, typically 3-10 years for furniture and equipment.

Functional expenses

United Way allocates its expenses on a functional basis among its various programs and support services, and is committed to complying with United Way Worldwide cost reduction standards. Expenses that can be identified with a specific program (i.e. agency allocations) are allocated directly according to their natural expenditure classification. Various statistical basis allocate other expenses that are common to several functions.

The principal programs of United Way, as reported on the functional expense statement are as follows:

Community Investment

Community investment includes all direct payments to community providers, as well as regular allocations to agencies and initiatives funded by the United Way. Partner agencies normally receive monthly allocations from the United Way.

Labor

Included in the labor program are all the costs associated with the labor contract maintained with the labor community. The United Way recognizes that many donations are from the labor community; therefore, one of the positions at United Way provides a liaison with that group. This program area accounts for all costs associated with the maintenance of that liaison position.

Public relations

Public relations includes expenses related to United Way public relations in general.

United Way projects

United Way includes in its project function all costs associated with the grant programs conducted under its auspices. The primary focus of these projects is to facilitate and promote community problem-solving by coordinating and developing all available resources for the betterment of the community and its people.

The principal support services of United Way, as reported on the functional expense statement are as follows:

Fundraising

Fundraising includes those costs associated with conducting the annual campaign.

Management and general

Management and general includes all costs relating to maintaining the offices and support staff of United Way.

Use of 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.

Tax-exempt status

United Way is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986. United Way is not a private foundation.

Uncertainty in income taxes

Generally Accepted Accounting Principles prescribe a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as the position United Way has taken that the organization is exempt from income taxes.

United Way's income tax filings are subject to audit by various taxing authorities. United Way's open tax audit periods are 2016 through 2019. In evaluating United Way's tax positions, interpretations and tax planning strategies are considered. United Way believes their estimates are appropriate based on current facts and circumstances.

Recent accounting pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, (ASU 2014-09) which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This guidance will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for fiscal years beginning after December 15, 2018. The standard permits the use of either the retrospective or modified-retrospective transition method. United Way is evaluating the effect that ASU 2014-09 will have on its financial statements.

In February 2016, the FASB issued ASU 2016-02 *Leases*. ASU 2016-02 requires recognition of the assets and liabilities that arise from leases. The new standard is effective for fiscal years beginning after December 15, 2020. United Way is currently evaluating the effect that implementation of the new standard will have on its statement of financial position, statement of activities, and cash flows.

The FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, in June 2016. Its implementation will result in a new Accounts Receivable loss accounting framework, also known as the current expected credit loss (CECL) model. CECL requires credit losses expected throughout the life of the asset to be recorded at the time of origination. Under the current incurred loss model, losses are recorded when it is probable that a loss event has occurred. The new standard will require significant operational changes, especially in data collection and analysis. The ASU is effective for interim and annual periods after December 15, 2021, and is expected to increase the allowance upon adoption. United Way is assessing the standard and is in the process of reviewing the capability of its systems and processes to support the data collection and retention required to implement the new standard.

2. Investments

Investments at June 30, 2019 and 2018 consist of the following:

	June 30, 2019		
	Amount	Rate	Maturity
Certificates of Deposit			
Guaranty Bank	$ 50,843	2.25%	11/29/19
Great Southern Bank	104,064	1.81%	01/21/20
Total Certificates of Deposit	154,907		
Community Foundation	123,078		
Central Trust and Investment Co.	341,763		
Total investments	$ 619,748		

	June 30, 2018		
Depository	Amount	Rate	Maturity
Certificates of Deposit			
Springfield First Community Bank	$ 50,976	1.25%	08/24/18
Great Southern Bank	101,140	1.11%	07/21/18
Total Certificates of Deposit	152,116		
Community Foundation	98,275		
Central Trust and Investment Co.	325,565		
Total investments	$ 575,956		

Cost basis for United Way investments held with Community Foundation was $96,778 and $74,964 at June 30, 2019 and 2018, respectively. A portion of the funds held by the Community Foundation have been designated by the board as a quasi-endowment fund and is carried at market value based on information provided by Community Foundation.

The investments in Central Trust and Investment Co. have been designated by the board as a quasi-endowment fund and is carried at market value based on information provided by Central Trust and Investment Co. The cost basis of this investment at June 30, 2019 and 2018 was $293,866 and $288,689, respectively.

During the year ended June 30, 2019 and 2018, the unrealized gains on all investments totaled $12,118 and $20,215, respectively.

During the year ended June 30, 2019 and 2018, interest and dividends on all investments listed above and the operating account totaled $24,490 and $6,298, respectively.

3. Pledge receivables

Pledges to the United Way campaign are due within one year as the campaign is conducted on an annual basis. United Way writes remaining pledge receivables off the books after two years. Pledge receivables from the prior year campaign are presented in the net assets without donor restriction fund since the time restrictions on the use of the funds have expired. Pledge receivables from the campaign conducted in the fall of 2019 (2018) are reported in the net assets with donor restriction class since the cash flows from those receivables are to be used in the following year - 2020 (2019). The amounts receivable for the two campaigns, as well as their related allowances for uncollectible pledges at June 30, 2019 and 2018, are as follows:

	June 30, 2019		
	Without donor restriction 2017 campaign	Without donor restriction 2018 campaign	With donor restriction 2019 campaign
Pledge receivables	$ 270,976	$ 1,053,511	$ 3,332
Less: allowance for uncollectible pledges	(225,374)	(157,879)	-
Pledge receivables, net	$ 45,602	$ 895,632	$ 3,332

	June 30, 2018		
	Without donor restriction 2016 campaign	Without donor restriction 2017 campaign	With donor restriction 2018 campaign
Pledge receivables	$ 175,884	$ 1,174,919	$ 1,569
Less: allowance for uncollectible pledges	(175,884)	(164,140)	-
Pledge receivables, net	$ -	$ 1,010,779	$ 1,569

4. Cash surrender value of life insurance policy

In December 2004, United Way received a donation of a life insurance policy in which the organization was the designated beneficiary. The United Way began paying the annual premiums in fiscal year 2004. The cash surrender value of the life insurance policy at June 30, 2019 and 2018 was $33,921 and $33,233, respectively.

5. Due to agencies

At year-end, United Way reports, as due to agencies, the amounts that were approved prior to year-end as agency allocations for the following year. The breakdown of due to agencies at June 30, is as follows:

	2019	2018
Due to agencies	$ 779,289	$ 817,931

6. Fixed assets

Buildings, furniture and equipment are stated at cost or fair market value, if donated, and are written off on a straight-line basis over a period as explained in Note 1. Gross value and accumulated depreciation at June 30, is as listed:

Description	2019	2018
Furniture and equipment	$ 90,140	$ 84,212
Computer software	22,125	19,125
Leasehold improvements	250,549	244,522
Total fixed assets	362,814	347,859
Less accumulated depreciation	(191,625)	(160,337)
Total fixed assets, net	$ 171,189	$ 187,522

Additions to each asset class are described below:

Description	2019	2018
Equipment	$ 5,928	$ 18,174
Software	$ 3,000	$ 2,100
Building improvements	$ 6,027	$ 66,529

Depreciation expense for the year ended June 30, 2019 and 2018 was $31,287 and $22,784, respectively.

7. Net assets

Net assets without donor restriction can be classified as undesignated or board designated. Board designated net assets without donor restriction are those assets which have been designated by the United Way board for use in specific projects.

Net assets with donor restriction are those assets which have been provided by donors for use in specific projects and/or for use in a specific time period. Those funds are held in the net assets with donor restriction class until expended.

The net asset with donor restriction balance relates primarily to the United Way campaign. Moneys raised in the fall of each year are designated through the campaign to support the agencies and United Way administration during the coming year. Therefore, at each year-end, the entire campaign, less the related allowance for doubtful accounts and less allocations to agencies for the coming year which were approved by the Board of Directors prior to year-end, resides in the net assets with donor restriction classification. That restriction will be lifted, and reclassification entries made to the net assets with donor restriction class as receipts are collected and expenditures made during the following year.

Because United Way approved all agency allocations for the coming six months prior to each year-end, reclassification entries, expense entries, and corresponding liabilities for agency allocations for the coming year are entered at the time of board approval.

Net assets without donor restriction and net assets with donor restriction are available for the following purposes at June 30:

Net assets without donor restriction	2019	2018
Undesignated	$ 17,556	$ 9,807
Board designated	464,841	423,840
Total net assets without donor restriction	$ 482,397	$ 433,647

Net assets with donor restriction	2019	2018
Time restriction		
Campaign funds for use in 2019 (2018)	$ 605,550	$ 730,572
Purpose restriction		
United Way donor restricted	151,314	49,885
Entrepreneurial fund	59,748	48,892
Total net assets with donor restriction	$ 816,612	$ 829,349
Total net assets	$ 1,299,009	$ 1,262,996

8. **Contributed services and materials**

During the year ended June 30, 2019, there were no material contributed services meeting the requirements for recognition in the financial statements outlined in *FASB Codification Topic 958*. Often, materials are donated to United Way from various sources and then passed on to the member agencies. These amounts were booked as revenue and expense for the period. In addition, program materials in the amount of $484 and $2,323 were recorded as revenue and expense for United Way projects for the years ended June 30, 2019 and 2018, respectively.

9. **Retirement plan**

United Way participates in a defined contribution retirement plan covering all employees who have completed one year of service at United Way or another qualifying organization. This plan is in accordance with Internal Revenue Code Sec. 403(b). For employees meeting eligibility requirements, United Way contributes 10% of each employee's salary to a fund administered by Mutual of America. The employer contribution for the year ended June 30, 2019 and 2018 was $50,538 and $51,910, respectively.

10. **Concentration of credit risk**

United Way maintains cash balances in non-interest bearing transaction accounts at several financial institutions located in the Springfield, Missouri area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation and are subject to the $250,000 limitation. The total bank balance of all accounts at Guaranty Bank was $895,699 and $548,654 at June 30, 2019 and 2018, respectively. The account balances are held in sweep accounts where funds are swept each night into accounts where funds are secured by government securities.

The pledge receivable balance constitutes credit risk to the extent that donors might choose not to complete their pledge payments. However, the United Way has a consistent collection record, and appropriate allowances for uncollected pledges are maintained as described in Note 3 to the financial statements.

11. **Leases**

On April 29, 1996, United Way entered into a lease agreement with the City of Springfield, Missouri for their current office facilities location.

The facilities were leased by United Way for a total value of one dollar for a 50-year period, ending on June 30, 2046. At the end of the lease term, United Way has an option to purchase the leased premises, which include the land and building structure, for the then appraised value of the land only.

On March 28, 2005, a portion of the premises described previously was sub-leased to Great Southern Community Development with the same expiration date of June 30, 2046. The sub-lease was for a total value of one dollar for a 41-year period.

The sub-lease will continue until terminated early by either party or terminated pursuant to the lease between City of Springfield, Missouri and United Way dated April 29, 1996. United Way has no responsibility to repair or maintain the premises during the sub-lease term.

Because the lease agreement with the City of Springfield is for a total value of one dollar, there are no future minimum lease payments. However, United Way does assume responsibility to keep, maintain, repair and operate the entirety of the leased premises, and all improvements and facilities placed thereon will be at its sole cost and expense.

United Way also leases various office equipment through the normal course of business.

12. Fair value of financial instruments

Effective January 1, 2008, United Way adopted FASB Codification Topic 820, *Fair Value Measurements and Disclosures*. FASB Codification Topic 820 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements.

FASB Codification Topic 820 defines fair value as 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. FASB Codification Topic 820 establishes a fair value hierarchy that prioritizes the inputs used in valuation techniques used to measure fair value into three levels, with Level 1 being the highest priority.

Level 1 inputs: Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 inputs: Level 2 inputs are from other than market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted market prices of similar assets or liabilities in active markets, or quoted market prices for identical or similar assets or liabilities in markets that are not active.

Level 3 inputs: Level 3 inputs are unobservable and should be used to measure fair value to the extent that observable inputs are not available.

The following are major categories of assets and liabilities measured at fair value on a recurring basis during the year ended June 30, 2019 and 2018:

Investments - Fair values have been determined using quoted market prices.

	June 30, 2019			
	Fair Value			Carrying
	Level 1	Level 2	Level 3	Amount
Financial Assets				
Investments				
Community Foundation	$ -	$ 123,078	$ -	$ 123,078
Central Trust - Equities	179,458	-	-	179,458
Central Trust - Fixed income	-	92,400	-	92,400
Central Trust - Real estate	-	-	17,408	17,408
Central Trust - Alternative	-	35,619	-	35,619
Central Trust - Cash and equivalents	16,878	-	-	16,878
Certificates of deposit	154,907	-	-	154,907
	$ 351,243	$ 251,097	$ 17,408	$ 619,748

	June 30, 2018			
	Fair Value			Carrying
	Level 1	Level 2	Level 3	Amount
Financial Assets				
Investments				
Community Foundation	$ -	$ 98,275	$ -	$ 98,275
Central Trust - Equities	172,928	-	-	172,928
Central Trust - Fixed income	-	90,344	-	90,344
Central Trust - Real estate	-	-	15,782	15,782
Central Trust - Alternatives	-	31,053	-	31,053
Central Trust - Cash and equivalents	15,458	-	-	15,458
Certificates of deposit	152,116	-	-	152,116
	$ 340,502	$ 219,672	$ 15,782	$ 575,956

The following is a reconciliation of the opening and closing balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period ended June 30, 2019:

	Level 3
Opening balance	$ 15,782
Transfers into and out of Level 3	-
Gains or losses included in changes in net assets	1,626
Purchases, issues, sales, or settlements	-
Closing balance	$ 17,408

13. Liquidity and availability

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

		2019
Financial assets, as of June 30:		
Cash and cash equivalents	$	403,082
Short-term investments		154,907
Pledge receivables		944,566
Long-term investments		464,841
		1,967,396
Less assets unavailable for general expenditure:		
Accounts payable		64,000
Accrued salaries		12,757
Net assets with donor restriction		816,612
		893,369
Financial assets available to meet cash needs for general expenditure within one year	$	1,074,027

United Way's endowment funds consist of donor-restricted endowments. Income from donor restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure.

14. Subsequent events

In preparing these financial statements, United Way has evaluated events and transactions for potential recognition or disclosure through November 13, 2019, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

UNITED WAY OF THE OZARKS, INC.

SCHEDULE OF AGENCY ALLOCATIONS

FOR THE YEAR ENDED JUNE 30, 2019

Agency allocations	
American Red Cross of Southern Missouri	$ 172,325
Betty and Bobby Allison - Ozarks Counseling Center	67,574
Big Brothers/Big Sisters of the Ozarks	62,214
Boy Scouts of America, Ozark Trails Council	83,555
Boys & Girls Club of Springfield	253,781
Community Partnership of the Ozarks	86,198
Court Appointed Special Advocates (CASA)	26,262
Developmental Center of the Ozarks (DCO)	47,374
Girl Scouts of the Missouri Heartland	78,760
Great Circle - Boys & Girls Town of Missouri	32,204
Habitat for Humanity	14,416
Harmony House	49,276
Kids First	24,920
Lutheran Family & Children's Services	31,026
NAMI (National Alliance for Mental Illness)	30,807
OTC Middle College	17,086
Ozarks Literacy Council	23,166
Ozarks Regional YMCA	107,956
Retired and Senior Volunteer Program (RSVP)	23,871
The Kitchen/Rare Breed	16,627
The Salvation Army	167,129
The Victim Center	97,415
Restricted payments to partner agencies	21,565
Total agency allocations	1,535,504
Restricted by United Way donors	(200,764)
Net agency allocations	$ 1,334,740

See Independent Auditor’s Report.

UNITED WAY OF THE OZARKS, INC.

SCHEDULE OF SPECIAL ALLOCATIONS

FOR THE YEAR ENDED JUNE 30, 2019

Tri-Lakes grants	
Boys & Girls Club of the Ozarks - Branson	$ 2,925
Christian Action Ministries	3,000
Dignity Now Inc.	3,190
Faith Community Health Center	2,000
Gift of Hope, Inc.	2,500
Jesus Was Homeless, Inc.	2,500
The Salvation Army - Branson	2,000
Stone County Health Department	3,000
Taneyhills Community Library	2,500
The Women's Crisis Center of Taney County	2,500
Restricted payments to other Tri-Lakes agencies	10,000
Total Tri-Lakes grants	36,115
United Way of the Ozarks grants	
Ozarks Food Harvest - Backpack Program	813
Cox Foundation - Colorectal Cancer Awareness	2,500
Hands on for Seniors	9,411
United Way Cancer Fund	10,202
United Way Veteran's Emergency Assistance Fund	2,540
Total United Way of the Ozarks grants	25,466
Total special allocations	$ 61,581

See Independent Auditor’s Report.

UNITED WAY OF THE OZARKS, INC.

HISTORICAL INFORMATION
LOSS ON COLLECTIONS

	Fall 2017 Campaign	Fall 2016 Campaign	Fall 2015 Campaign	Fall 2014 Campaign	Fall 2013 Campaign *	Five-year average
Total campaign	$ 2,634,120	$ 2,819,542	$ 2,849,147	$ 2,996,211	$ 3,192,080	$ 2,898,220
Total collections on campaign	$ 2,363,144	$ 2,648,853	$ 2,673,097	$ 2,806,758	$ 2,941,074	$ 2,686,585
Percent of campaign collected	89.71%	93.95%	93.82%	93.68%	92.14%	92.70%
Percent loss	10.29%	6.05%	6.18%	6.32%	7.86%	7.30%
Total campaign	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

* Reflects a change of $579,825 due to a change in pledge processing of the O'Reilly national campaign.

See Independent Auditor’s Report.