THE WHITLOCK CO.

CPAs and Consultants

UNITED WAY OF THE OZARKS, INC.

FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2021 AND 2020

INDEPENDENT AUDITOR'S REPORT

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

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, 2021 and 2020, 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 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.

whitlockco.com
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, 2021 and 2020, and the change 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.

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 3, 2021

STATEMENTS OF FINANCIAL POSITION

UNITED WAY OF THE OZARKS, INC.

STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30, 2021	June 30, 2020
Current assets		
Cash and cash equivalents	$ 1,360,775	$ 1,203,356
Short-term investments	438,901	156,597
Pledge receivables		
Current campaign, net	1,298	466
Prior campaign, net	784,842	898,439
Prepaid expenses	12,100	10,918
Other receivables	2,538	1,543
Total current assets	2,600,454	2,271,319
Non-current		
Cash surrender value of life insurance policy	33,424	34,085
Long-term investments	3,877	11,359
Property and equipment, net	169,762	183,053
Total non-current assets	207,063	228,497
Total assets	$ 2,807,517	$ 2,499,816

LIABILITIES AND NET ASSETS

	2021	2020
Current liabilities		
Accounts payable	$ 14,348	$ 10,747
Accrued salaries	13,618	11,657
Accrued vacation	13,946	13,699
Deferred credits	58,992	39,070
Total liabilities	100,904	75,173
Long-term debt		
SBA Paycheck Protection Program	-	108,900
Total long-term debt	-	108,900
Net assets		
Without donor restriction		
Undesignated	208,191	(286,022)
Board designated	3,877	11,359
Total without donor restriction	212,068	(274,663)
With donor restriction	2,494,545	2,590,406
Total net assets	2,706,613	2,315,743
Total liabilities and net assets	$ 2,807,517	$ 2,499,816

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, 2021 AND 2020

	2021			2020		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
Revenue and other support						
Campaign - current allocation period						
Contributions received	$ 35,706	$ 2,287,655	$ 2,323,361	$ -	$ 2,288,306	$ 2,288,306
Contributions received - released from restrictions	2,283,251	(2,283,251)	-	2,368,192	(2,368,192)	-
Less allowance for uncollectible pledges	-	(146,816)	(146,816)	53,125	(153,516)	(100,391)
Total campaign - current period	2,318,957	(142,412)	2,176,545	2,421,317	(233,402)	2,187,915
Campaign - next allocation period						
Contributions received	-	43,487	43,487	-	148,461	148,461
Total campaign - next allocation period	-	43,487	43,487	-	148,461	148,461
Total campaign	2,318,957	(98,925)	2,220,032	2,421,317	(84,941)	2,336,376
Grants	123,400	342,430	465,830	-	216,642	216,642
Sponsorships	-	47,500	47,500	2,000	20,000	22,000
Contributions	400	41,894	42,294	10,500	121,646	132,146
Miscellaneous income	11,450	-	11,450	7,675	(4,904)	2,771
Unrealized gain on designated quasi-endowments	43	-	43	-	-	-
Interest and dividends from designated quasi-endowments	1	41	42	10,946	230	11,176
Interest and dividends from investments	4,799	-	4,799	21,477	711	22,188
Transfer (to) from other funds	135,544	(135,544)	-	-	-	-
Service fee income	180,671	-	180,671	131,680	-	131,680
In-kind contributions	35,930	-	35,930	500	-	500
Release from restriction	293,257	(293,257)	-	256,678	(256,678)	-
Total revenue and other support	$ 3,104,452	$ (95,861)	$ 3,008,591	$ 2,862,773	$ 12,706	$ 2,875,479

(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, 2021 AND 2020

(continued)

	2021			2020		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
Total revenue and support	$ 3,104,452	$ (95,861)	$ 3,008,591	$ 2,862,773	$ 12,706	$ 2,875,479
Expenses						
Program services						
Community investment	1,714,262	-	1,714,262	1,870,229	-	1,870,229
Labor	10,741	-	10,741	21,710	-	21,710
Public relations	40,057	-	40,057	53,534	-	53,534
United Way projects	283,639	-	283,639	115,401	-	115,401
Total program services	2,048,699	-	2,048,699	2,060,874	-	2,060,874
Support services						
Fundraising	185,137	-	185,137	190,536	-	190,536
Management and general	383,885	-	383,885	386,624	-	386,624
Total support services	569,022	-	569,022	577,160	-	577,160
Total expenses	2,617,721	-	2,617,721	2,638,034	-	2,638,034
Change in net assets	486,731	(95,861)	390,870	224,739	12,706	237,445
Net assets - beginning of period	(274,663)	2,590,406	2,315,743	(499,402)	2,577,700	2,078,298
Net assets - end of period	$ 212,068	$ 2,494,545	$ 2,706,613	$ (274,663)	$ 2,590,406	$ 2,315,743

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, 2021

	PROGRAM SERVICES					SUPPORT SERVICES		
	Community Investment	Labor	Public Relations	Grants and Contracts	Total Program Services	Fundraising	Management and General	Totals
Salaries and related expenses	$ 149,781	$ 7,011	$ 23,052	$ 101,741	$ 281,585	$ 134,925	$ 236,840	$ 653,350
Professional fees	12,238	716	713	3,872	17,539	7,302	17,903	42,744
Supplies and materials	1,428	68	281	1,461	3,238	1,943	3,029	8,210
Telephone	3,421	285	299	589	4,594	2,327	3,658	10,579
Occupancy	7,684	413	686	968	9,751	5,544	12,236	27,531
Insurance	2,284	123	222	98	2,727	1,229	5,122	9,078
Printing and publications	128	10	35	146	319	3,518	116	3,953
Local travel	3	-	1	32	36	121	6	163
Conferences, training & meetings	1,048	14	1,708	574	3,344	1,551	607	5,502
Educational programming	18	-	357	23,543	23,918	2,393	91	26,402
Dues & subscriptions	2,250	854	1,562	102	4,768	3,167	1,596	9,531
Advertising	487	8	5	2	502	130	92	724
Annual meeting	-	-	3,727	-	3,727	-	-	3,727
Public education	4,959	-	-	-	4,959	-	-	4,959
Contractual services	4,265	1	3,695	90,121	98,082	674	4,290	103,046
Miscellaneous expenses	548	26	59	67	700	1,282	2,632	4,614
Equipment leases, maintenance & purchases	2,276	73	1,819	29,272	33,440	11,476	9,161	54,077
United Way Worldwide dues	12,026	1,139	1,836	542	15,543	7,555	16,904	40,002
In-kind expenditures	-	-	-	-	-	-	35,930	35,930
Total expenses before depreciation and other expenses	204,844	10,741	40,057	253,130	508,772	185,137	350,213	1,044,122
Depreciation of fixed assets	-	-	-	-	-	-	33,672	33,672
Total expenses before other expenses	204,844	10,741	40,057	253,130	508,772	185,137	383,885	1,077,794
Non-Profit agency allocations	1,494,657	-	-	-	1,494,657	-	-	1,494,657
Special allocations	14,761	-	-	30,509	45,270	-	-	45,270
Total allocations	1,509,418	-	-	30,509	1,539,927	-	-	1,539,927
Total expenses	$ 1,714,262	$ 10,741	$ 40,057	$ 283,639	$ 2,048,699	$ 185,137	$ 383,885	$ 2,617,721

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, 2020

	PROGRAM SERVICES					SUPPORT SERVICES		
	Community Investment	Labor	Public Relations	Grants and Contracts	Total Program Services	Fundraising	Management and General	Totals
Salaries and related expenses	$ 146,724	$ 16,178	$ 32,966	$ 51,529	$ 247,397	$ 138,520	$ 287,748	$ 673,665
Professional fees	6,012	921	774	6,530	14,237	4,654	26,068	44,959
Supplies and materials	2,386	641	2,139	8,827	13,993	6,338	7,257	27,588
Telephone	1,906	304	318	147	2,675	2,490	4,967	10,132
Occupancy	4,972	747	846	797	7,362	4,788	9,142	21,292
Insurance	1,043	135	137	3	1,318	792	2,669	4,779
Printing and publications	43	53	9,778	2	9,876	56	53	9,985
Local travel	192	53	54	21	320	2,732	294	3,346
Trainings	1,106	25	298	8,162	9,591	3,933	625	14,149
Educational programming	1,838	44	321	4,186	6,389	1,839	1,693	9,921
Membership dues	1,605	966	1,603	123	4,297	3,545	1,756	9,598
Equipment maintenance	1,103	107	75	32	1,317	6,033	5,250	12,600
Annual meeting	-	-	729	-	729	-	-	729
Public education	14,787	10	26	11,244	26,067	54	42	26,163
Contractual services	31	3	1,645	23,143	24,822	581	1,613	27,016
Miscellaneous expenses	106	21	17	299	443	66	7,148	7,657
Gain/loss on disposal of assets	-	-	-	-	-	-	6,105	6,105
United Way Worldwide dues	8,101	1,029	1,132	356	10,618	5,833	11,017	27,468
Special allocations	16,344	-	-	-	16,344	-	-	16,344
In-kind expenditures	-	-	-	-	-	-	500	500
Total expenses before depreciation and other expenses	208,299	21,237	52,858	115,401	397,795	182,254	373,947	953,996
Depreciation of fixed assets	11,697	473	676	-	12,846	8,282	12,677	33,805
Total expenses before other expenses	219,996	21,710	53,534	115,401	410,641	190,536	386,624	987,801
Agency allocation	1,650,233	-	-	-	1,650,233	-	-	1,650,233
Total expenses	$ 1,870,229	$ 21,710	$ 53,534	$ 115,401	$ 2,060,874	$ 190,536	$ 386,624	$ 2,638,034

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, 2021	Years ended June 30, 2020
Cash flows from operating activities		
Campaign contributions - current period	$ 2,289,310	$ 2,233,576
Campaign contributions - next allocation period	43,487	148,461
Federal and state grants	376,852	230,712
Program income	47,500	22,000
Contributions	42,294	132,146
Miscellaneous income	227,719	150,146
Interest income	4,841	33,364
Direct payments to agencies	(45,270)	(1,650,233)
Salaries and related expenditures	(651,142)	(676,344)
Other operating expenditures	(1,883,010)	(338,577)
Net cash provided by operating activities	452,581	285,251
Cash flows from investing activities		
Purchase of fixed assets	(20,381)	(45,669)
Purchase of investments	(282,404)	(12,812)
Sale of investments	7,623	464,604
Net cash provided by (used in) investing activities	(295,162)	406,123
Cash flows from financing activities		
Issuance of long-term debt	-	108,900
Net cash provided by financing activities	-	108,900
Increase in cash and cash equivalents	157,419	800,274
Cash and cash equivalents at beginning of period	1,203,356	403,082
Cash and cash equivalents at end of period	$ 1,360,775	$ 1,203,356
Supplemental cash flows information		
SBA Paycheck Protection Program loan forgiveness	$ 108,900	$ -

(continued)

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

UNITED WAY OF THE OZARKS, INC.

STATEMENTS OF CASH FLOWS

(continued)

	Years ended June 30, 2021	2020
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	$ 390,870	$ 237,445
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	33,672	33,805
Unrealized gain on designated quasi-endowments	(41)	-
Unrealized loss on cash value life insurance	661	-
Forgiveness of SBA Paycheck Protection Program	(108,900)	-
Decrease (increase) in:		
Pledges receivable	112,765	45,661
Accounts receivable	(995)	15,195
Prepaid expenses	(1,182)	(4,829)
Increase (decrease) in:		
Accounts payable	3,601	(53,417)
Accrued salaries	1,961	(1,100)
Accrued vacation payable	247	(1,579)
Deferred revenue	19,922	14,070
Net cash provided by operating activities	$ 452,581	$ 285,251

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

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 annual 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.

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*, 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.

Adoption of new accounting standards

On July 1, 2020, due to ASU 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), United Way adopted the new accounting standard and all the related amendments to the contracts using the modified retrospective method. United Way reorganized the cumulative effect of initially applying the new revenue standard which required no adjustment to the opening balance of net assets. The adoption of this new accounting standard did not have a material impact on the financial statements for United Way.

Reclassification

Certain accounts relating to the prior year have been reclassified to conform with the current year's presentation. Such reclassification had no effect on net assets.

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.

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.

Revenue Recognition

United Way recognized contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions are reported as either revenues without donor restrictions or revenues with donor restrictions.

Service fee income is revenue received for services provided on a regular basis to another not for profit. This revenue is recognized over time as the services are completed.

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 bases 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 United Way. Partner agencies normally receive monthly allocations from United Way.

Labor

Included in the labor program are all the costs associated with the labor contract maintained with the labor community. 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 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 2018 through 2020. 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 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, 2021. 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, 2022, 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.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets*. This ASU requires a nor-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. This ASU is effective retrospectively for annual reporting periods beginning after June 15, 2021.

2. Revenue Recognition

United Way accounts for a contract when both parties have approved the contract and are committed to perform their obligations, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. See Note 1 for the adoption of new accounting standards.

The following table disaggregates revenue for the year ended June 30:

	2021
Point in time revenue	
Miscellaneous income	$ 11,450
Total point in time revenue	11,450
Over time revenue	
Service fee income	180,671
Total over time revenue	180,671
	$ 192,121

3. Investments

Investments at June 30, 2021 and 2020 consist of the following:

	June 30, 2021		
	Amount	Rate	Maturity
Certificates of Deposit			
Guaranty Bank	$ 52,338	0.75%	11/29/21
Great Southern Bank	306,563	0.80%	10/21/21
Great Southern Bank	80,000	0.80%	10/21/21
Total Certificates of Deposit	438,901		
Community Foundation	3,877		
Total investments	$ 442,778		

	June 30, 2020		
	Amount	Rate	Maturity
Certificates of Deposit			
Springfield First Community Bank	$ 51,424	1.76%	11/29/20
Great Southern Bank	105,173	1.76%	10/21/20
Total Certificates of Deposit	156,597		
Community Foundation	11,359		
Total investments	$ 167,956		

Fair market value for United Way investments held with Community Foundation was $3,877 and $11,359 at June 30, 2021 and 2020, respectively.

During the year ended June 30, 2021 and 2020, the unrealized gains on all investments totaled $43 and $0, respectively.

During the year ended June 30, 2021 and 2020, interest and dividends on all investments listed above and the operating account totaled $4,840 and $33,364, respectively.

4. 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 net assets without donor restriction since the time restrictions on the use of the funds have expired. Pledge receivables from the campaign starting in the spring of 2021 (2020) 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 - 2022 (2021). The 2021 campaign ran from April 2020 through March 2021. The amounts receivable for the campaigns, as well as their related allowances for uncollectible pledges at June 30, 2021 and 2020, are as follows:

	June 30, 2021		
	Without donor restriction 2020 campaign	Without donor restriction 2021 campaign	With donor restriction 2022 campaign
Pledge receivables	$ 129,251	$ 931,658	$ 1,298
Less: allowance for uncollectible pledges	(129,251)	(146,816)	-
Pledge receivables, net	$ -	$ 784,842	$ 1,298

	June 30, 2020		
	Without donor restriction 2019 campaign	Without donor restriction 2020 campaign	With donor restriction 2021 campaign
Pledge receivables	$ 120,123	$ 1,051,955	$ 466
Less: allowance for uncollectible pledges	(120,123)	(153,516)	-
Pledge receivables, net	$ -	$ 898,439	$ 466

5. 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. United Way began paying the annual premiums in fiscal year 2004. The cash surrender value of the life insurance policy at June 30, 2021 and 2020 was $33,424 and $34,085, respectively.

6. Property and equipment

Property and equipment are stated at cost or fair market value, if donated, and are depreciated 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	2021	2020
Furniture and equipment	$ 100,962	$ 90,140
Computer software	22,125	22,125
Leasehold improvements	305,777	296,218
Total property and equipment	428,864	408,483
Less accumulated depreciation	(259,102)	(225,430)
Total property and equipment, net	$ 169,762	$ 183,053

Additions to each asset class are described below:

Description	2021	2020
Equipment	$ 10,822	$ -
Software	$ -	$ -
Building improvements	$ 9,559	$ 45,669

Depreciation expense for the year ended June 30, 2021 and 2020 was $33,672 and $33,805, respectively.

7. SBA Paycheck Protection Program

The SBA Paycheck Protection Program at June 30 consists of the following:

	2021	2020
Paycheck Protection Program note payable to Guaranty Bank at an interest rate of 1.00%, forgiven on February 9, 2021.	$ -	$ 108,900
Total SBA Paycheck Protection Program	$ -	$ 108,900

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on payroll. The Small Business Administration will forgive the loan if all employee retention criteria are met and the funds are used for eligible expenses. On February 9, 2021, United Way received a notice of forgiveness from the Small Business Administration.

8. 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 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	2021	2020
Undesignated	$ 208,191	$ (286,022)
Board designated	3,877	11,359
Total net assets without donor restriction	$ 212,068	$ (274,663)

Net assets with donor restriction	2021	2020
Time restriction		
Campaign funds for use in 2021 (2020)	$ 2,184,326	$ 2,283,251
Purpose restriction		
United Way donor restricted	229,760	246,696
Entrepreneurial fund	80,459	60,459
Total net assets with donor restriction	$ 2,494,545	$ 2,590,406
Total net assets	$ 2,706,613	$ 2,315,743

9. Contributed services and materials

During the year ended June 30, 2021, 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 $35,930 and $500 were recorded as revenue and expense for United Way projects for the years ended June 30, 2021 and 2020, respectively.

10. 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, 2021 and 2020 was $47,188 and $47,064, respectively.

11. 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 account balances are held in sweep accounts where funds are swept each night into accounts where funds are secured by government securities.

United Way holds cash for an affiliate organization within their Guaranty Bank accounts. The book balance of the United Way bank accounts with Guaranty Bank total $1,380,808 and $1,229,726, as of June 30, 2021 and 2020, respectively. Of this balance, $24,614 and $27,287 belong to an affiliate organization, Community Partnership of the Ozarks, as of June 30, 2021 and 2020, respectively.

The pledge receivable balance constitutes credit risk to the extent that donors might choose not to complete their pledge payments. However, United Way has a consistent collection record, and appropriate allowances for uncollected pledges are maintained as described in Note 4 to the financial statements.

12. 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.

13. Related party

United Way leases employees to Community Partnership of the Ozarks (CPO), a not-for-profit corporation, located in Springfield. United Way received $2,816,004 and $2,616,765 for employee labor personnel services for the years ending June 30, 2021 and 2020, respectively. These employees are under the direct supervision of the CPO President/CEO who makes all hiring, firing and disciplinary decisions and all activities of these employees accrue to the benefit of CPO.

United Way allocates funds to all partner organizations. For the years ended June 30, 2021 and 2020, United Way allocated $86,198 to CPO. United Way received $126,762 and $177,173 from CPO for accounting fees for the years ended June 30, 2021 and 2020, respectively.

14. 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.

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

The following are major categories of assets and liabilities measured at fair value on a recurring basis during the year ended June 30, 2021 and 2020:

	June 30, 2021			
	Fair Value			Carrying
	Level 1	Level 2	Level 3	Amount
Financial Assets				
Investments				
Community Foundation	$ -	$ 3,877	$ -	$ 3,877
	$ -	$ 3,877	$ -	$ 3,877

	June 30, 2020			
	Fair Value			Carrying
	Level 1	Level 2	Level 3	Amount
Financial Assets				
Investments				
Community Foundation	$ -	$ 11,359	$ -	$ 11,359
	$ -	$ 11,359	$ -	$ 11,359

15. 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:

	2021	2020
Financial assets, as of June 30:		
Cash and cash equivalents	$ 1,360,775	$ 1,203,356
Short-term investments	438,901	156,597
Pledge receivables	786,140	898,905
Long-term investments	3,877	11,359
	2,589,693	2,270,217
Less those unavailable for general expenditure:		
Accounts payable	14,348	10,747
Accrued salaries	13,618	11,657
Net assets with donor restriction	2,494,545	2,590,406
	2,522,511	2,612,810
Financial assets available to meet cash needs for general expenditure within one year	$ 67,182	$ (342,593)

16. Subsequent events

In preparing these financial statements, United Way has evaluated events and transactions for potential recognition or disclosure through November 3, 2021, the date the financial statements were available to be issued.

Subsequent to year end, it was announced that United Way and related party CPO will be splitting their operations during the 2022 fiscal year. This will remove the CPO employees from United Way to their own organization.

SUPPLEMENTARY INFORMATION

UNITED WAY OF THE OZARKS, INC.

SCHEDULE OF NON PROFIT AGENCY ALLOCATIONS

FOR THE YEAR ENDED JUNE 30, 2021

Non Profit allocations	**Undesignated Funds**	**Coronavirus Response**	**Donor Designated Funds**	**Total Funds**
American Red Cross of Southern Missouri	$ 156,737	$ -	$ -	$ 156,737
Betty and Bobby Allison - Ozarks Counseling Cente	61,462	5,000	-	66,462
Big Brothers/Big Sisters of the Ozarks	56,587	-	-	56,587
Boy Scouts of America, Ozark Trails Council	74,743	-	-	74,743
Boys & Girls Club of Springfield	234,518	-	-	234,518
Community Partnership of the Ozarks	86,198	22,000	-	108,198
Court Appointed Special Advocates (CASA)	23,885	-	-	23,885
Developmental Center of the Ozarks (DCO)	42,378	-	-	42,378
Girl Scouts of the Missouri Heartland	71,636	-	-	71,636
Great Circle - Boys & Girls Town of Missouri	29,291	-	-	29,291
Habitat for Humanity	13,112	-	-	13,112
Harmony House	45,536	-	-	45,536
Kids First	22,666	-	-	22,666
Lutheran Family & Children's Services	28,219	-	-	28,219
NAMI (National Alliance for Mental Illness)	28,020	5,000	-	33,020
OTC Middle College	15,541	-	-	15,541
Ozarks Literacy Council	21,070	-	-	21,070
Ozarks Regional YMCA	97,840	5,000	-	102,840
Retired and Senior Volunteer Program (RSVP)	22,057	-	-	22,057
The Kitchen/Rare Breed	15,123	-	-	15,123
The Salvation Army	149,511	3,716	-	153,227
The Victim Center	90,068	-	-	90,068
Tri-Lakes Grant	-	-	28,645	28,645
Restricted payments to partner non profits	-	-	39,098	39,098
Total agency allocations	$ 1,386,198	$ 40,716	$ 67,743	$ 1,494,657

See Independent Auditor’s Report.

UNITED WAY OF THE OZARKS, INC.

SCHEDULE OF SPECIAL ALLOCATIONS

FOR THE YEAR ENDED JUNE 30, 2021

United Way of the Ozarks grants		
Coronavirus Response Fund-Supplies	$	63
COAD Fund		338
United Way Cancer Fund		10,217
United Way Veteran's Emergency Assistance Fund		4,143
Total United Way of the Ozarks grants		14,761
External grants & contracts		
Cold Weather Shelter Contract - City of Springfield		10,000
Diversity, Equity & Inclusion Grant - Community Foundation of the Ozarks		12,722
CARES COVID-19 Cares Grant - Greene County, Missouri		7,746
Disaster & Emergency Fund		41
Total external grants & contracts		30,509
Total special allocations	$	45,270

See Independent Auditor’s Report.

UNITED WAY OF THE OZARKS, INC.

HISTORICAL INFORMATION
LOSS ON COLLECTIONS

	Spring 2019 Campaign	Spring 2018 Campaign	Spring 2017 Campaign	Spring 2016 Campaign	Spring 2015 Campaign	Five-year average
Total campaign	$ 2,436,797	$ 2,526,071	$ 2,634,120	$ 2,819,542	$ 2,849,147	$ 2,653,135
Total collections on campaign	$ 2,307,546	$ 2,396,394	$ 2,363,144	$ 2,648,853	$ 2,673,097	$ 2,477,807
Percent of campaign collected	94.70%	94.87%	89.71%	93.95%	93.82%	93.39%
Percent loss	5.30%	5.13%	10.29%	6.05%	6.18%	6.61%
Total campaign	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

*Campaigns begin in the spring of each year and run through March of the subsequent year

See Independent Auditor's Report.