

UNITED WAY OF NORMAN, INC.  
AUDIT OF FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED  
JUNE 30, 2021 AND 2020

UNITED WAY OF NORMAN, INC.  
INDEX TO AUDIT OF FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDING  
JUNE 30, 2021 AND 2020

<u>Independent Auditors' Report</u>	1
<u>Financial Statements</u>	
Statements of Financial Position June 30, 2021 and 2020	3
Statement of Activities and Changes in Net Assets For the year ended June 30, 2021	4
Statement of Activities and Changes in Net Assets For the year ended June 30, 2020	5
Statement of Functional Expenses For the year ended June 30, 2021	6
Statement of Functional Expenses For the year ended June 30, 2020	7
Statements of Cash Flows For the years ended June 30, 2021 and 2020	8
Notes to Financial Statements	9



# Gray, Blodgett & Company, PLLC

CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS ADVISORS

629 24TH AVE SW  
NORMAN, OKLAHOMA 73069  
(405) 360-5533 FAX (405) 364-3771

TED BLODGETT, CPA, CVA, ABV, JD  
C. JANESE SHEPARD, CPA  
ROSS H. ROYE, CPA  
SAM BLODGETT, CPA  
CYNTHIA K. BYARS, CPA  
JONATHAN M. KERN, CPA  
JERRY D. KING, CPA  
BREE MONTOYA, CPA, CVA, ABV  
RHONDA E. RAY, CPA  
BRIAN C. WILKINS, CPA  
TIM WILSON, CPA  
JASON D. WINTERS, CPA

## INDEPENDENT AUDITORS' REPORT

December 14, 2021

To the Board of Directors of  
United Way of Norman, Inc.  
Norman, Oklahoma

We have audited the accompanying financial statements of United Way of Norman, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2021 and 2020 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to 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.

### Auditors' 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 auditors' 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.



To the Board of Directors  
United Way of Norman, Inc.  
December 14, 2021

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 United Way of Norman, Inc. as of June 30, 2021 and 2020, and the activities and 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.

GRAY, BLODGETT & COMPANY, PLLC

*Gray, Blodgett & Company, PLLC*



UNITED WAY OF NORMAN, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020

ASSETS		
	<u>2021</u>	<u>2020</u>
Current Assets		
Cash, cash equivalents and restricted cash	\$ 1,353,145	\$ 1,298,173
Pledges receivable, net of allowance for uncollectible pledges of \$111,007 and \$124,715, respectively	<u>529,057</u>	<u>670,256</u>
Total Current Assets	1,882,202	1,968,429
Fixed assets, net	<u>4,882</u>	<u>7,044</u>
Total Assets	<u>\$ 1,887,084</u>	<u>\$ 1,975,473</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 943	\$ 7,715
Payroll taxes payable	3,358	3,378
Accrued vacations	5,172	6,647
Other accrued liabilities	291	301
SBA Paycheck Protection Program loan	-	5,124
Deferred support	24,400	27,100
Campaign allocations and designations payable	<u>1,088,573</u>	<u>1,227,000</u>
Total Liabilities	<u>1,122,737</u>	<u>1,277,265</u>
Net Assets		
Without donor restrictions	625,538	575,417
With donor restrictions	<u>138,809</u>	<u>122,791</u>
Total Net Assets	<u>764,347</u>	<u>698,208</u>
Total Liabilities and Net Assets	<u>\$ 1,887,084</u>	<u>\$ 1,975,473</u>

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

UNITED WAY OF NORMAN, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Campaign revenue	\$ 1,723,059	\$ -	\$ 1,723,059
Less: Donor designations	(265,400)	-	(265,400)
Uncollected pledges expense	<u>(81,448)</u>	<u>-</u>	<u>(81,448)</u>
Net campaign revenue	1,376,211	-	1,376,211
SBA Paycheck Protection Program revenue	70,895	-	70,895
Other donations	-	96,219	96,219
In-kind donations	93,367	-	93,367
Interest income	<u>22,194</u>	<u>-</u>	<u>22,194</u>
	1,562,667	96,219	1,658,886
Satisfaction of time and program restrictions	<u>80,201</u>	<u>(80,201)</u>	<u>-</u>
Total revenues and other support	<u>1,642,868</u>	<u>16,018</u>	<u>1,658,886</u>
Expenses			
Functional expenses			
Management and general	109,595	-	109,595
Community outreach	180,064	-	180,064
Resource development	229,229	-	229,229
Financial stability	44,708	-	44,708
Education council	44,707	-	44,707
Health & Safety council	44,707	-	44,707
Independence council	<u>44,707</u>	<u>-</u>	<u>44,707</u>
Total functional expenses	697,717	-	697,717
Gross funds awarded to agencies	1,154,823	-	1,154,823
Less: Donor designations	<u>(259,793)</u>	<u>-</u>	<u>(259,793)</u>
Net funds allocated to agencies	<u>895,030</u>	<u>-</u>	<u>895,030</u>
Total expenses	<u>1,592,747</u>	<u>-</u>	<u>1,592,747</u>
Change in net assets	50,121	16,018	66,139
Net assets, beginning of year	<u>575,417</u>	<u>122,791</u>	<u>698,208</u>
Net assets, end of year	<u>\$ 625,538</u>	<u>\$ 138,809</u>	<u>\$ 764,347</u>

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

UNITED WAY OF NORMAN, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues</b>			
Campaign revenue	\$ 1,935,060	\$ -	\$ 1,935,060
Less: Donor designations	(306,675)	-	(306,675)
Uncollected pledges expense	<u>(144,203)</u>	<u>-</u>	<u>(144,203)</u>
Net campaign revenue	1,484,182	-	1,484,182
SBA Paycheck Protection Program revenue	63,887	-	63,887
Other donations	-	121,292	121,292
In-kind donations	60,281	-	60,281
Interest income	<u>21,448</u>	<u>-</u>	<u>21,448</u>
	1,629,798	121,292	1,751,090
Satisfaction of time and program restrictions	<u>94,477</u>	<u>(94,477)</u>	<u>-</u>
Total revenues and other support	<u>1,724,275</u>	<u>26,815</u>	<u>1,751,090</u>
<b>Expenses</b>			
Functional expenses			
Management and general	109,479	-	109,479
Community outreach	200,829	-	200,829
Resource development	194,419	-	194,419
Financial stability	46,351	-	46,351
Education council	46,352	-	46,352
Health & Safety council	46,352	-	46,352
Independence council	<u>46,348</u>	<u>-</u>	<u>46,348</u>
Total functional expenses	690,130	-	690,130
Gross funds awarded to agencies	1,228,165	-	1,228,165
Less: Donor designations	<u>(298,575)</u>	<u>-</u>	<u>(298,575)</u>
Net funds allocated to agencies	<u>929,590</u>	<u>-</u>	<u>929,590</u>
Total expenses	<u>1,619,720</u>	<u>-</u>	<u>1,619,720</u>
Change in net assets	104,555	26,815	131,370
Net assets, beginning of year	<u>470,862</u>	<u>95,976</u>	<u>566,838</u>
Net assets, end of year	<u>\$ 575,417</u>	<u>\$ 122,791</u>	<u>\$ 698,208</u>

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

UNITED WAY OF NORMAN, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Management and General</u>	<u>Community Outreach</u>	<u>Resource Development</u>	<u>Financial Stability</u>	<u>Education Council</u>	<u>Health Council</u>	<u>Independence Council</u>	<u>Totals</u>
Salaries	\$ 71,256	\$ 80,109	\$ 65,225	\$ 21,066	\$ 21,066	\$ 21,066	\$ 21,066	\$ 300,854
Payroll taxes	<u>5,181</u>	<u>6,305</u>	<u>5,055</u>	<u>1,676</u>	<u>1,676</u>	<u>1,676</u>	<u>1,676</u>	<u>23,245</u>
Total personnel costs	76,437	86,414	70,280	22,742	22,742	22,742	22,742	324,099
Accounting fees	3,128	2,085	3,128	3,128	3,127	3,127	3,127	20,850
Campaign sponsorships	-	-	26,930	-	-	-	-	26,930
Depreciation expense	238	605	367	238	238	238	238	2,162
Dues - United Way of America	4,011	2,673	4,011	4,011	4,011	4,011	4,011	26,739
Dues and subscriptions	243	162	243	243	243	243	243	1,620
Equipment and repair	1,215	3,036	3,037	1,215	1,215	1,215	1,215	12,148
Emergency fund disbursements	-	5,404	-	-	-	-	-	5,404
In-kind donations	-	2,641	90,726	-	-	-	-	93,367
Insurance-health	9,760	5,744	4,975	1,985	1,985	1,985	1,985	28,419
Insurance-director liability	1,945	-	-	-	-	-	-	1,945
Insurance-other	392	330	373	285	285	285	285	2,235
Meeting expense	-	39	134	39	39	39	39	329
Miscellaneous expense	241	29,078	2,549	4	4	4	4	31,884
Office supplies	147	98	147	148	148	148	148	984
Postage	183	294	2,015	293	293	293	293	3,664
Public relations and marketing	-	1,660	8,800	1,328	1,328	1,328	1,328	15,772
Rent	6,300	4,200	6,300	6,300	6,300	6,300	6,300	42,000
Retirement	4,667	5,701	4,195	1,845	1,845	1,845	1,845	21,943
School supplies	-	29,161	-	-	-	-	-	29,161
Small equipment purchases	19	40	26	19	19	19	19	161
Telephone	523	348	523	523	523	523	523	3,486
Travel	108	324	432	324	324	324	324	2,160
Volunteer training and recognition	<u>38</u>	<u>27</u>	<u>38</u>	<u>38</u>	<u>38</u>	<u>38</u>	<u>38</u>	<u>255</u>
Total expenses	<u>\$ 109,595</u>	<u>\$ 180,064</u>	<u>\$ 229,229</u>	<u>\$ 44,708</u>	<u>\$ 44,707</u>	<u>\$ 44,707</u>	<u>\$ 44,707</u>	<u>\$ 697,717</u>

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

UNITED WAY OF NORMAN, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Management and General</u>	<u>Community Outreach</u>	<u>Resource Development</u>	<u>Financial Stability</u>	<u>Education Council</u>	<u>Health Council</u>	<u>Independence Council</u>	<u>Totals</u>
Salaries	\$ 71,983	\$ 77,043	\$ 62,312	\$ 20,734	\$ 20,734	\$ 20,734	\$ 20,734	\$ 294,274
Payroll taxes	5,659	6,041	4,856	1,642	1,642	1,642	1,642	23,124
Total personnel costs	77,642	83,084	67,168	22,376	22,376	22,376	22,376	317,398
Accounting fees	3,218	2,146	3,218	3,218	3,218	3,218	3,218	21,454
Campaign sponsorships	-	-	18,360	-	-	-	-	18,360
Depreciation expense	247	628	381	247	247	247	247	2,244
Dues - United Way of America	2,610	1,740	2,610	2,610	2,610	2,610	2,610	17,400
Dues and subscriptions	311	207	311	311	311	311	311	2,073
Equipment and repair	1,194	2,986	2,986	1,194	1,194	1,194	1,194	11,942
Emergency fund disbursements	-	8,726	-	-	-	-	-	8,726
In-kind donations	-	4,379	55,902	-	-	-	-	60,281
Insurance-health	7,841	6,520	5,051	2,020	2,020	2,020	2,020	27,492
Insurance-director liability	2,070	-	-	-	-	-	-	2,070
Insurance-other	423	365	403	294	294	294	291	2,364
Meeting expense	-	72	239	72	72	72	72	599
Miscellaneous expense	165	49,777	2,564	665	665	665	665	55,166
Office supplies	190	127	190	190	190	190	190	1,267
Postage	150	239	1,645	239	239	239	239	2,990
Printing	43	146	257	103	103	103	103	858
Public relations and marketing	-	2,446	19,924	1,957	1,957	1,957	1,957	30,198
Rent	7,950	5,300	7,950	7,950	7,950	7,950	7,950	53,000
Retirement	4,546	5,366	3,973	1,755	1,755	1,755	1,755	20,905
School supplies	-	25,645	-	-	-	-	-	25,645
Small equipment purchases	30	63	38	30	30	30	30	251
Staff training and conferences	-	-	14	14	14	14	14	70
Telephone	700	467	700	700	700	700	700	4,667
Travel	129	386	515	386	387	387	386	2,576
Volunteer training and recognition	20	14	20	20	20	20	20	134
Total expenses	\$ 109,479	\$ 200,829	\$ 194,419	\$ 46,351	\$ 46,352	\$ 46,352	\$ 46,348	\$ 690,130

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



UNITED WAY OF NORMAN, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 66,139	\$ 131,370
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	2,162	2,244
SBA Paycheck Protection Program loan forgiveness	(70,895)	(63,887)
(Increase) decrease in pledges receivable	154,907	(30,305)
Increase (decrease) in allowance for doubtful accounts	(13,708)	5,203
Increase (decrease) in accounts payable	(6,772)	3,026
Increase (decrease) in deferred revenue	(2,700)	9,540
Increase (decrease) in allocations payable	(138,427)	3,200
Increase (decrease) in other accrued liabilities	<u>(1,505)</u>	<u>1,535</u>
Total adjustments	<u>(76,938)</u>	<u>(69,444)</u>
Net Cash Provided (Used) by Operating Activities	<u>(10,799)</u>	<u>61,926</u>
Cash Flows From Investing Activities		
Purchases of fixed assets	<u>-</u>	<u>(3,133)</u>
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>(3,133)</u>
Cash Flows From Financing Activities		
Proceeds from SBA Paycheck Protection Program loan	<u>65,771</u>	<u>69,011</u>
Net Cash Provided (Used) by Financing Activities	<u>65,771</u>	<u>69,011</u>
Net Increase (Decrease) in Cash	54,972	127,804
Cash, Cash Equivalents and Restricted Cash at Beginning of Year	<u>1,298,173</u>	<u>1,170,369</u>
Cash, Cash Equivalents and Restricted Cash at End of Year	<u>\$ 1,353,145</u>	<u>\$ 1,298,173</u>
<u>Supplemental Information</u>		
Cash	\$ 286,456	\$ 454,553
Cash equivalents	927,880	720,829
Restricted cash	<u>138,809</u>	<u>122,791</u>
Total cash, cash equivalents and restricted cash	<u>\$ 1,353,145</u>	<u>\$ 1,298,173</u>

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



United Way of Norman, Inc.  
Notes to Financial Statements  
June 30, 2021 and 2020

Note 1 - Description

United Way of Norman, Inc. began in 1957 as The United Fund of Norman, Inc. United Way of Norman, Inc. was incorporated as a non-profit organization under the laws of the State of Oklahoma on July 31, 1969. The organization is affiliated with United Way of America. The mission of United Way of Norman, Inc. is to act as a fund-raising agent for social agencies serving the Norman, Oklahoma area to assist those agencies in the effective planning and execution of the social services provided to the community.

Note 2 - Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of United Way of Norman, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

Financial statements presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification 958 (FASB ASC 958), *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, United Way of Norman, Inc. is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and may be designated for specific purposes by the Board of Directors.

Net assets with donor restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

There were no net assets with perpetual donor restrictions held during the years ended June 30, 2021 and 2020.

Cash and Cash Equivalents

Cash and cash equivalents include cash in bank accounts, petty cash and all short-term investments with original maturities of three months or less.

Property and Equipment

Acquisitions of property and equipment greater than \$500 are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the life of the equipment, which varies from 5-10 years.

Revenue Recognition

Contributions received are recorded as without or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If restrictions on net assets with donor restrictions are met in the reporting period, they are reported as unrestricted support. The Organization uses restricted funds prior to the use of unrestricted funds when both are available for the same purpose.

As the majority of the Organization's income is derived from contributions, the Organization does not typically have performance obligations related to contracts with customers.

The Organization does not imply time restrictions on gifts of long-lived assets. In the absence of explicit donor stipulation as to how long an asset must be held, the Organization releases any purpose restrictions when the asset is placed in service for the use stipulated by the donor.

Grant revenues are recognized in revenue when earned based on performing conditional requirements as stated in the related grant agreement, if any.

Contributed Services and Materials

United Way of Norman, Inc. receives services donated by a variety of unpaid volunteers assisting United Way of Norman, Inc. in its programs. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

United Way of Norman, Inc.  
Notes to Financial Statements  
June 30, 2021 and 2020

The Organization records the value of donated supplies, assets, and services when there is an objective basis available to measure their value. During the 2021 and 2020 fiscal years, material items were received and recorded in the accompanying statements at their estimated values at the date of receipt.

Functional Allocation of Expenses

United Way of Norman, Inc. allocates its expenses on a functional basis among its program activities, fund-raising activities and support services. Expenses and support services that can be identified with a specific program are allocated directly to the program. Expenses that benefit multiple programs are allocated based on an analysis of the relevant amount of time expended on each function.

Advertising Expense

All advertising costs, which approximated \$8,302 and \$12,229 for the years ending June 30, 2021 and 2020, respectively, are expensed as incurred or the first time the advertising takes place. The advertising costs are included in public relations and marketing expense in the statement of functional expenses.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a)(1) and qualifies for deductible contributions. No provision for federal or state income taxes has been recorded. There was no interest or penalties to the Internal Revenue Service included in these financial statements. The Organization's tax returns are generally subject to examination by the Internal Revenue Service and the State of Oklahoma for a period of three years from the date they are to be filed.

Concentration of Credit Risk

United Way of Norman, Inc. maintains cash balances at various financial institutions. The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000.

At June 30, 2021, the Organization had \$215 that exceeded the FDIC limit. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant risk.



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.

The allowance for uncollectible pledges is a significant estimate. The determination of the balance in this account is an estimate based on United Way's historical experience, review of significant account balances and expectations relative to current economic conditions. Uncollected pledges in excess of the allowance for uncollectible pledges are written off in the following fiscal year.

New Accounting Pronouncement

In May 2014, the FASB issued ASU 2014-09 *Revenue from Contracts with Customers: Topic 606*. This new revenue recognition guidance replaces most pre-existing revenue recognition guidance in U.S. generally accepted accounting principles (GAAP). FASB ASC 606 was scheduled to go into effect for years ending on or after December 31, 2019. On June 3, 2020 the FASB voted to delay the effective date of ASC 606 until years ending on or after December 31, 2020 with early implementation allowed. The core principle of this guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization has adopted this principle change on July 1, 2020.

The Organization implemented ASU 2014-09 using a modified retrospective method of application. The adoption of ASU 2014-09 resulted in changes to the disclosure of revenue. There were no material changes to the recognition or presentation of revenue as a result of the application of ASU 2014-09. As a result, no cumulative effect adjustment was recorded upon adoption.

Subsequent Events

Subsequent events have been evaluated through the issuance date of this report.

The COVID-19 pandemic is ongoing as of the issuance date of this report. Variants of the original virus have emerged in recent months causing increases in the rates of infection. Future effects of the continuing pandemic are unknown at this time.

United Way of Norman, Inc.  
Notes to Financial Statements  
June 30, 2021 and 2020

Note 3 - 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 the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,353,145	\$ 1,298,173
Pledges receivable, net	<u>529,057</u>	<u>670,256</u>
Total Financial Assets	1,882,202	1,968,429
Less: Amounts not available to be used within one year:		
Restricted by donors for purpose	(138,809)	(122,791)
Less: Amounts not available without Board approval:		
Board designated net assets	<u>(459,907)</u>	<u>(460,157)</u>
Financial Assets available to meet general expenditures over the next 12 months	<u>\$ 1,283,486</u>	<u>\$ 1,385,481</u>

Except as noted above, none of the Organization's financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The pledges receivable balances are subject to implied time restrictions but are expected to be collected within one year.

As part of their liquidity management plan, the Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in interest-bearing, fully-insured financial instruments.

In the event of unanticipated liquidity needs, the Organization does have board designated net assets without donor restrictions. The Organization intends to spend these funds only for contingency purposes as identified in Note 8 rather than for general expenditures.

United Way of Norman, Inc.  
Notes to Financial Statements  
June 30, 2021 and 2020

Note 4 - Pledges Receivable

Pledges receivable and changes in the allowance for uncollectible amounts during the years ended June 30, 2021 and 2020 are summarized as follows:

	<u>2021</u>	<u>2020</u>
Total pledges receivable	\$ 640,064	\$ 794,971
Allowance for uncollectible accounts	<u>(111,007)</u>	<u>(124,715)</u>
Net pledges receivable	<u>\$ 529,057</u>	<u>\$ 670,256</u>

Pledges receivable are due as follows:

	<u>2021</u>	<u>2020</u>
Due within one year	<u>\$ 640,064</u>	<u>\$ 794,971</u>

Note 5 - Property and Equipment

Property and equipment at June 30, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Furniture and Equipment	\$ 61,981	\$ 61,981
Less: Accumulated Depreciation	<u>(57,099)</u>	<u>(54,937)</u>
Total Property and Equipment	<u>\$ 4,882</u>	<u>\$ 7,044</u>

Note 6 - SBA Paycheck Protection Program loan

On April 30, 2020, the Organization was granted a loan in the amount of \$69,011 pursuant to the Paycheck Protection Program (PPP) under Division A, Title 1 of the CARES Act, which was enacted March 27, 2020. The loan matured on April 30, 2021 and bears an annual interest rate of 1%. Under the terms of the PPP, some or all of the loan may be forgiven when they have been used for qualifying expenses as described in the CARES Act. The Organization accounted for the loan according to FASB ASC 958-605 and since substantially all requirements were met as of June 30, 2020 for funds expended, the Organization recognized \$63,887 of the loan as SBA Paycheck Protection Program revenue and had an outstanding loan balance of \$5,124 as of June 30, 2020. The full amount of this loan was forgiven by the SBA on October 19, 2020 and the remaining \$5,124 was recognized as revenue during the year ended June 30, 2021.



United Way of Norman, Inc.  
Notes to Financial Statements  
June 30, 2021 and 2020

On January 22, 2021, the Organization was granted a second round loan in the amount of \$65,770 pursuant to the Consolidated Appropriations Act of 2021. The loan bears an annual interest rate of 1%. Under the terms of the PPP, some or all of the loan may be forgiven when they have been used for qualifying expenses as described in the CARES Act. This loan was fully forgiven by the SBA on June 14, 2021. The Organization accounted for the loan according to FASB ASC 958-605 and recognized \$65,770 as SBA Paycheck Protection Program revenue.

Note 7 - Campaign Allocations Payable

As a part of the annual United Way campaign, all donors have the choice of designating directly to agencies. The Campaign Allocation Payable to these recipient agencies is \$1,088,573 and \$1,227,000 as of June 30, 2021 and 2020, respectively. The gross amount of allocations for 2021 is \$1,100,000 with \$11,427 of the total amount being funded by purpose restricted donor designated contributions.

The allocation payable also includes donor designations to specific agencies of \$253,474 and \$298,575 as of June 30, 2021 and 2020 respectively. United Way does not have title or ownership of these designated assets, nor do they have the right of variance and, as such, acts as an agent for the donors. Designated pledges are paid out equally over 12 months to the designated agencies once collected.

Note 8 - Net Assets Without Donor Restrictions

Included in net assets without donor restrictions are designations by the board of directors for contingencies, supplemental funding, emergency funding, new agencies, and capital improvements. The contingency funds are maintained to offset the effects of a possible future shortfall in an annual campaign. Emergency funds are set aside to make additional appropriations in emergency situations. The Innovative grant funds are set aside for a competitive grant to be awarded at a future date. The Council impact funds are designated for funding new agencies by supplementing campaign achievement.

United Way of Norman, Inc.  
Notes to Financial Statements  
June 30, 2021 and 2020

Net assets without donor restrictions at June 30, 2021 and 2020 are comprised of the following:

Net Assets Without Donor Restrictions:	<u>2021</u>	<u>2020</u>
Contingencies	\$ 443,000	\$ 443,000
Emergency	5,000	5,000
Innovative grant	2,500	2,500
Council impact	9,407	9,657
Undesignated	<u>165,631</u>	<u>115,260</u>
Total Net Assets Without Donor Restrictions	<u>\$ 625,538</u>	<u>\$ 575,417</u>

Note 9 - Net Assets With Donor Restrictions

The amounts included in the temporarily restricted net assets at June 30, 2021 and 2020 are as follows:

Purpose Restrictions:	<u>2021</u>	<u>2020</u>
Community outreach – tool box	\$ 535	\$ 535
Development fund	7,498	7,498
School supplies	1,366	14,448
Campaign sponsor	67,912	49,363
Day of caring	6,663	5,302
Financial Alliance	32,756	25,160
COVID fund	3,290	14,191
Norman Cares	11,427	-
Other	<u>7,362</u>	<u>6,294</u>
Total Net Assets With Donor Restrictions	<u>\$ 138,809</u>	<u>\$ 122,791</u>

United Way of Norman, Inc.  
Notes to Financial Statements  
June 30, 2021 and 2020

Net assets were released from donor restrictions in 2021 and 2020 by incurring expenses specified by donors as follows:

Purpose Restrictions Released:	<u>2021</u>	<u>2020</u>
School supplies	\$ 19,161	\$ 18,145
Campaign sponsor	26,930	18,360
Financial Alliance	5,404	8,725
COVID fund	14,039	42,828
Norman Cares	12,025	-
Other	<u>2,642</u>	<u>6,419</u>
Total Restrictions Released	<u>\$ 80,201</u>	<u>\$ 94,477</u>

Note 10 - Operating Lease

United Way of Norman, Inc. has a lease agreement for office space and a lease agreement for the use of a copier, which are accounted for as operating leases.

The building lease agreement had a lease term of three years starting June 11, 2020 with a commencement date of April 1, 2020 and monthly lease payments of \$3,500 beginning April 2020 through June 2023. Rent expense for 2021 and 2020 was \$42,000 and \$53,000, respectively.

The copier lease has a term of five years and began in March 2018 with a monthly payment of \$100. Copier lease expense for both 2021 and 2020 was \$1,200.

Future minimum lease payments as of June 30, 2021 are as follows:

2022	\$ 43,200
2023	<u>43,200</u>
	<u>\$ 86,400</u>

Note 11 - Concentrations

United Way of Norman, Inc. receives contributions from individuals and corporations in the Norman and Southern Cleveland County area. The loss of one or more of the major contributors could cause an impact in operations.

United Way of Norman, Inc.  
Notes to Financial Statements  
June 30, 2021 and 2020

Note 12 - Retirement Fund

Effective January 1, 1993, the Organization established a Simplified Employee Pension Plan using Individual Retirement Accounts. Employees are eligible for participation upon attaining age 21, earning compensation of \$450 per year and performing services for the employer in at least 2 years of the preceding 5 years. The Organization contributes five percent of the base salary for each eligible employee.

The contributions made to the plans by the Organization for the period ended June 30, 2021 and 2020 totaled \$21,943 and \$20,905 respectively.