

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

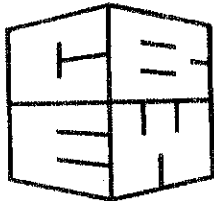
FINANCIAL STATEMENTS
DECEMBER 31, 2022

**UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of North Central Oklahoma, Inc.
Ponca City, Oklahoma

Opinion

We have audited the financial statements of United Way of North Central Oklahoma, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United Way of North Central Oklahoma, Inc., as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of North Central Oklahoma, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of North Central Oklahoma, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United Way of North Central Oklahoma, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of North Central Oklahoma, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Federal and State Financial Awards and Schedule of Revenues and Expenditures by Fund 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2023, on our consideration of United Way of North Central Oklahoma, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Way of North Central Oklahoma, Inc.'s internal control over financial reporting and compliance.

CBEW Professional Group, LLP

CBEW Professional Group, LLP

Certified Public Accountants

May 25, 2023

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

STATEMENT OF FINANCIAL POSITION
December 31, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$	597,981
Certificates of deposit		231,847
Investments		741,124
Accounts receivable		3,976
Pledges receivable, current portion		170,277
Grant receivable		4,929
Prepaid expense		1,938
Total current assets		<u>1,752,072</u>

Fixed assets:

Property and equipment		211,910
Less accumulated depreciation		(114,805)
Total fixed assets		<u>97,105</u>

Total assets	\$	<u>1,849,177</u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$	11,351
Accrued compensated absences		5,685
Agency allocation payable		320,747
Total current liabilities		<u>337,783</u>

Net assets:

Net assets without donor restrictions		488,671
Net assets with donor restrictions		1,022,723
Total net assets		<u>1,511,394</u>

Total liabilities and net assets	\$	<u>1,849,177</u>
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The accompanying notes are an integral part of these financial statements.

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and public support:			
United Way campaign	\$ -	\$ 465,731	\$ 465,731
Contributions	98,447	75,000	173,447
Grants	129,752	-	129,752
Rent income	9,120	-	9,120
Net investment income	(34,701)	(81,068)	(115,769)
Other income	5,982	-	5,982
Net assets released from restrictions	163,664	(163,664)	-
Total revenues and public support	<u>\$ 372,264</u>	<u>\$ 295,999</u>	<u>\$ 668,263</u>
Expenses:			
Program services	\$ 688,153	\$ -	\$ 688,153
Management and general	64,294	-	64,294
Fundraising	40,055	-	40,055
Total expenses	<u>792,502</u>	<u>-</u>	<u>792,502</u>
Increase (decrease) in net assets	(420,238)	295,999	(124,239)
Net assets at beginning of year	<u>908,909</u>	<u>726,724</u>	<u>1,635,633</u>
Net assets at end of year	<u>\$ 488,671</u>	<u>\$ 1,022,723</u>	<u>\$ 1,511,394</u>

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

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation & related expenses:				
Salaries	\$ 121,539	\$ 30,049	\$ 21,445	\$ 173,033
Employee benefits	3,543	876	625	5,044
Payroll taxes	9,235	2,267	1,609	13,111
	<hr/>	<hr/>	<hr/>	<hr/>
Total	134,317	33,192	23,679	191,188
Operational expenses:				
Advertising and public relations	-	403	-	403
Agency grant allocation	320,992	-	-	320,992
Bad debt expense	29,979	-	-	29,979
Bank service charge	-	390	-	390
Campaign expense	-	-	11,965	11,965
Depreciation	5,136	2,889	-	8,025
Dues and subscriptions	3,998	2,044	1,954	7,996
Grants to agencies	82,217	-	-	82,217
Insurance	-	8,187	-	8,187
Office and postage expense	7,619	1,956	452	10,027
Professional fees	3,841	12,178	-	16,019
Rent	9,350	-	-	9,350
Repairs and maintenance	1,692	420	-	2,112
Special projects	9,818	-	-	9,818
Supplies	38,128	-	-	38,128
Training and education	961	-	-	961
Travel	1,161	630	-	1,791
Utilities	6,578	2,005	2,005	10,588
Volunteer expense	32,366	-	-	32,366
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Total expenses	\$ 688,153	\$ 64,294	\$ 40,055	\$ 792,502

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

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

Cash flows from operating activities:	
Increase (decrease) in net assets	\$ (124,239)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	8,025
(Increase) decrease in operating assets:	
Accounts receivable	(3,976)
Pledges receivable	44,564
Grant receivable	855
Prepaid expense	(1,938)
Increase (decrease) in operating liabilities:	
Accounts payable	8,122
Accrued compensated absences	5,685
Agency allocation payable	(4,243)
	<u>(67,145)</u>
Net cash provided by (used in) operating activities	<u>(67,145)</u>
Cash flows from investing activities:	
Purchase of property and equipment	-
(Purchase) liquidation of investments	142,743
	<u>142,743</u>
Net cash used in investing activities	<u>142,743</u>
Cash flows from financing activities:	
Collections of contributions restricted to endowment	-
	<u>-</u>
Net cash provided by financing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	75,598
Cash and cash equivalents, beginning of year	<u>522,383</u>
Cash and cash equivalents, end of year	<u><u>\$ 597,981</u></u>

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

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The United Way of North Central Oklahoma, Inc. (the Organization), formally known as United Way of Ponca City, Inc., was created to improve people's lives by mobilizing the caring power of the communities. The Organization invests resources to address the most important needs in our communities by partnering with agencies that provide programs that focus on meeting the Organization's goals in the following community impact areas: education, financial stability and health and safety.

The Organization receives direct contributions, grants and conducts an annual campaign to generate resources for the community.

The United Way of North Central Oklahoma, Inc., promotes the following programs:

Heartline provides a suicide prevention outreach program, compassionate listening, information and referral services, crisis intervention services and a gambling helpline.

Familywize is a free prescription discount card program for individuals in the community.

My Free Taxes is a free program where individuals that meet the requirements can file their taxes online.

RX for Oklahoma is a service which helps qualifying Oklahomans access prescription assistance programs provided by pharmaceutical manufacturing companies.

A Literacy Program was launched in 2019 and is a book gifting programs that gifts free books to children.

The United Way of North Central Oklahoma, Inc., sponsors the Retired Senior Volunteer Program (RSVP) of Ponca City and Kay County. RSVP engages senior volunteers from Kay County to assist staff in providing health education programs to the community.

B. Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Fees received from state governmental agencies are recognized when services are rendered.

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of LMOH and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources 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.

C. Cash and Cash Equivalents & Custodial Credit Risk

Cash and cash equivalents include cash accounts, money market, and all highly liquid investments with an initial maturity of three months or less. Cash restricted by a granting agency for a specific purpose is excluded from cash and cash equivalents. All bank deposits are held with banks located in Oklahoma that are insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2022, the Organization had bank balance at Equity Bank of \$330,403; thus, exceeding the FDIC limits of \$250,000 per bank by \$80,403. The underinsured portions of the accounts are backed solely by the assets of each bank. Therefore, failure of these banks could result in financial loss. Cash and cash equivalents at December 31, 2022 consisted for United Way accounts totaling \$399,464 and the RSVP account of \$198,517.

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Investments

Investments are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

E. Grants Receivable

Grants receivable are amounts due from grantors on cost reimbursement or service grants. Management believes that all outstanding grants receivable are collectible in full, therefore, no allowance for uncollectible has been recorded.

F. Property, Furniture and Equipment

Depreciable assets are recorded at cost when purchased or at the estimated acquisition value at the time of contribution. All land and buildings are depreciated. Equipment is capitalized if it has a cost of \$500 or more and an estimated useful life greater than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets.

G. Contributions and Support

Management has analyzed the provision of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Not-for-Profit Entities (Topic 606): Revenue from Contracts with Customers. This ASU establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers, particularly, that an entity recognizes 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 service.

The major sources of revenue for the Organization's general operations are annual campaign, grants, and contributions. Therefore, the adoption of the guidance in Topic 606 did not impact the timing of revenue recognition for the Organization.

Contributions are recognized when the donor makes a promise to give (pledges) to the Organization that is, in substance, unconditional. Unconditional promises to give are recorded as received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from government cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. At December 31, 2022, there were no refundable advances recorded.

Grants and other contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are treated as net assets without donor restrictions.

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Contributed Services and In-Kind Contributions

United Way of North Central Oklahoma, Inc., receives a substantial amount of services donated by its members in carrying out the Organization's mission. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Contributed services have not been recognized in the accompanying statements of activities, as they do not meet the requirements for recognition.

I. Fair Value of Financial Instruments

The financial instruments of the Organization include cash and cash equivalents, certificates of deposit, investments, receivables, and accounts payable. The Organization's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial condition. The carrying amount of these financial instruments approximates fair value because of their short maturity.

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted observable quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The basis of fair value measurement of financial instruments are as follows:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. All of the entity's investments are determined to be Level 1.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2022:

Assets at Fair Value as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Money Market	\$ 16,907	\$ -	\$ -	\$ 16,907
Stocks, options & ETFs	425,210	-	-	425,210
Mutual Funds	299,007	-	-	299,007
Certificates of Deposit	231,847	-	-	231,847
Total assets at fair value	\$ 972,971	\$ -	\$ -	\$ 972,971

J. 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 of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. The primary estimates are the allocation of expenses to functional categories.

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Inventories

Inventories consist primarily of purchased items held for consumption. Administrative supplies are expensed when acquired. No material inventory was on hand at December 31, 2022.

L. Income Taxes

The United Way of North Central Oklahoma, Inc., 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 been determined by the Internal Revenue Services not to be a "private foundation" with the meaning of Section 509(a) of the Internal Revenue Code. The Organization has not recognized any unrelated business income. As a result, no provision for current or deferred income tax liability is recognized in the Organization's books and records. The Organization has filed all applicable tax returns. Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, the United Way of North Central Oklahoma, Inc., has no open examination with either the Internal Revenue Service or state taxing authorities.

2. DETAILED NOTES CONCERNING THE FUNDS

A. Pledges Receivable

The United Way of North Central Oklahoma, Inc., accounts for contributions or pledges receivable in accordance with FASB 958-310-50, *Accounting for Contributions Received and Contributions Made*.

Unconditional contributions with amounts due in more than 1 year are reflected at present value of estimated future cash flows using a discount rate. All pledges are expected to be received with the year, thus, a discount rate is not used. The Board has approved allowance of \$60,000 for uncollectible accounts.

	December 31, 2022
Gross amounts of pledges receivable	\$ 230,277
Less allowance for doubtful accounts	(60,000)
Net pledges receivable	<u>\$ 170,277</u>
Amount due in:	
1 year or less	\$ 170,277
2 to 5 years	-
Over 5 years	-
	<u> </u>
Net pledges receivable	<u>\$ 170,277</u>

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

B. Fixed Assets

	Balance December 31, 2021	Additions and Reclassifications	Disposals	Balance December 31, 2022
Buildings and grounds	\$ 160,060	\$ -	\$ -	\$ 160,060
Office equipment	39,142	-	-	39,142
RSVP equipment	12,708	-	-	12,708
Total	<u>211,910</u>	<u>-</u>	<u>-</u>	<u>211,910</u>
Less: accumulated depreciation	<u>(106,780)</u>	<u>(8,025)</u>	<u>-</u>	<u>(114,805)</u>
Net	<u>\$ 105,130</u>	<u>\$ (8,025)</u>	<u>\$ -</u>	<u>\$ 97,105</u>

Total depreciation for 2022 was \$8,025.

C. Compensated Absences

It is the Organization's policy to permit employees to accumulate earned but unused paid time off benefits. Employees are only able to carry forward unused paid time off based on their anniversary date. Upon resignation of employment, employees will be paid for the unused vacation time which has been accrued and not used through the last day of employment.

D. Agency Allocation Payable

Agency allocations are made at the beginning of each campaign as approved by the Board of Directors and are recorded as a payable to the agencies. These allocations are deemed to be an obligation and an expense of the United Way of North Central Oklahoma, Inc., at the time the allocation is approved. These allocations are disbursed ratably over the following twelve months.

E. Endowments

During 2007, the Organization adopted an endowment program and related policy to encourage, receive and administer long-term planned giving by individuals and entities through an endowment fund.

The Board of Directors has interpreted the Oklahoma Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2022, there were no such donor stipulations. As a result of this interpretation, the Organization will retain in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

E. Endowments (Continued)

As of December 31, 2022, the Organization had the following endowment net asset composition:

December 31, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 131,033	\$ -	\$ 131,033
Donor-restricted endowment funds	-	466,369	466,369
Accumulated investment gains (loss)	75,149	39,310	114,459
Total endowment funds	\$ 206,182	\$ 505,679	\$ 711,861

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments at December 31, 2022.

Investment and Spending Policies

The Organization has adopted investment and spending policies for the endowments that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets.

The Manering Endowment allows annual distributions up to 5% of the value of the endowment as of January 1. However, if the endowment value on January 1 is less than \$150,000, plus any additional contributions, then the annual distribution will be limited to the interest and dividends earned during the previous year. The Board may approve up to 10% of the annual distribution for the United Way Annual Campaign.

The Literacy Endowment allows annual distributions up to 5% of the total value of the endowment as of December 31 of the previous year if the interest and dividends generated are not sufficient to meet program needs.

Changes in Endowment net assets for the year ended December 31, 2022:

December 31, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 238,376	\$ 612,763	\$ 851,139
Investment return, net	(32,194)	(81,067)	(113,261)
Contributions	-	-	-
Appropriations	-	(26,017)	(26,017)
Endowment net assets, end of year	\$ 206,182	\$ 505,679	\$ 711,861

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

	2022
RSVP payroll & supplies	\$ 75,000
Amounts pledged to fund subsequent year operations	442,044
Endowment	505,679
Total net assets with donor restrictions	1,022,723

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

3. RISK MANAGEMENT

United Way of North Central Oklahoma, Inc., is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; unemployment; and natural disasters. The Organization purchases commercial insurance for these and other risks of loss. Settled claims have not exceeded the commercial coverage in past years.

4. CONTINGENCIES

Grant expenditures are subject to financial and compliance audits by the grantor agencies or their representatives. Such audits could lead to requests for reimbursements to the grantor agency for expenditures that are disallowed under the terms of the grant. The Organization believes that the amount of the expenditures that could be disallowed by the grantor agencies, if any, would not be significant.

5. OPERATING LEASES

Lessor

The Organization has lease agreements in which they are the lessor and lease out offices in their building. These agreements are only for a twelve months, ending December 31, and either party can terminate the agreement without any cause. In 2022, the Organization recognized \$9,120 in rental income.

Lessee

The Organization leases office space for its RSVP operations. The lease agreement is for one year (ending December 31) with payments of \$850 per month, and either party may terminate the agreement at any time. In 2022, the Organization paid \$9,350 in rent expense.

6. NEW ACCOUNTING PRONOUNCEMENTS ADOPTED

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2021. The adoption of this standard did not have a significant impact on the financial statements for the year ended December 31, 2022.

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The update increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure regarding the measurement of contributed nonfinancial assets, as well as the amount of those contributions used in the entity's programs and other activities. The adoption of this standard did not have a significant impact on the financial statements for the year ended December 31, 2022.

7. FUNCTIONAL EXPENSES

Per requirement of FASB ASU 2016-14, the United Way of North Central Oklahoma, Inc. adopted a policy for allocation of functional expenses. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology and communication, interest, insurance, and other, which are allocated on the basis of estimates of time, effort, and specific use.

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

8. 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, comprise of the following:

	<u>2022</u>
Cash and cash equivalents	\$ 597,981
Certificates of deposit	231,847
Investments	741,124
Accounts receivable	3,976
Pledges receivable	170,277
Grants receivable	4,929
Financial assets, at year-end	<u>1,750,134</u>
Less endowments	(505,679)
Less allocations payable to agencies	(320,747)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 923,708</u>

In 2022, United Way of North Central Oklahoma, Inc., had \$1,750,134 of financial assets available at year end. Of that amount, \$505,679 is restricted for use as designated by the endowment and \$320,747 has already been allocated to agencies for 2023. At year end, the Organization had \$923,708 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditures.

The Organization is primarily supported through contributions, campaign, grants, and other revenues. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions through the date of the audit report, which is the date the financial statements were available to be issued and have determine that no additional information will need to be added to the financial statements.

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

SUPPLEMENTAL INFORMATION
DECEMBER 31, 2022

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

SUPPLEMENTARY SCHEDULE OF FEDERAL AND STATE FINANCIAL AWARDS
For the Year Ended December 31, 2022

<u>Program Title</u>	<u>Contract Period</u>	<u>Contract Number</u>	<u>ALN</u>	<u>Contract Award</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
Corporation for National and Community Service:						
RSVP	7/1/21-6/30/2022	20SRWOK003	94.002	\$ 66,639	\$ 28,689	28,689
	7/1/22-6/30/2023	20SRWOK003	94.002	61,639	34,777	34,777
Sub-total Corporation for National and Community Service				<u>128,278</u>	<u>63,466</u>	<u>63,466</u>
Cares Act (passed through the City of Ponca City):						
ARPA			21.027	58,000	58,000	58,000
Total Federal Awards and Expenditures				<u>186,278</u>	<u>121,466</u>	<u>121,466</u>

Note A - Basis of Presentation - The accompanying schedule of federal and state financial awards (the Schedule) includes the state award activity of United Way of North Central Oklahoma, Inc., under programs of the state government for the year ended December 31, 2022. Because the Schedule presents only a selected portion of the operations of United Way of North Central Oklahoma, Inc., it is not intended and does not present the financial position, changes in net assets, or cash flows for United Way of North Central Oklahoma, Inc.

Note B - Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported using the accrual basis of accounting. Such expenditures are recognized following cost principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement. United Way of North Central Oklahoma, Inc. has elected not to use the 100 percent de minimus indirect cost rate allowed under the Uniform Guidance.

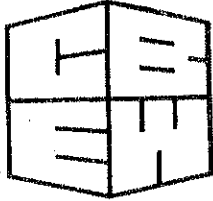
UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

SUPPLEMENTARY STATEMENT OF REVENUES AND EXPENSES BY PROGRAM
For the Year Ended December 31, 2022

	<u>Local</u>	<u>RSVP</u>	<u>Total</u>
Support and Revenues			
United Way campaign	\$ 465,731	\$ -	\$ 465,731
Contributions	-	173,447	173,447
Grants	58,000	71,752	129,752
Rent income	9,120	-	9,120
Investment income	(115,896)	127	(115,769)
Other income	5,982	-	5,982
Total support and revenues	<u>422,937</u>	<u>245,326</u>	<u>668,263</u>
Expenses:			
Compensation and related expenses	97,259	93,929	191,188
Advertising and public relations	403	-	403
Agency grant allocation	320,992	-	320,992
Bad debt expense	29,979	-	29,979
Bank service charge	390	-	390
Campaign expense	11,965	-	11,965
Depreciation	6,559	1,466	8,025
Dues and subscriptions	7,996	-	7,996
Grants to agencies	82,217	-	82,217
Insurance	4,216	3,971	8,187
Office and postage expense	4,957	5,070	10,027
Professional fees	15,030	989	16,019
Rent	-	9,350	9,350
Repairs and maintenance	2,112	-	2,112
Special projects	9,818	-	9,818
Supplies	-	38,128	38,128
Training and education	961	-	961
Travel	1,260	531	1,791
Utilities	8,019	2,569	10,588
Volunteer expense	-	32,366	32,366
Total expenses	<u>604,133</u>	<u>188,369</u>	<u>792,502</u>
Revenues over (under) expenses	<u>\$ (181,196)</u>	<u>\$ 56,957</u>	<u>\$ (124,239)</u>

UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.
Ponca City, Oklahoma

REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
DECEMBER 31, 2022



CBEW
Professional
Group, LLP
Certified Public Accountants

CHARLES E. CROOKS, CPA
TRISHA J. RIEMAN, CPA
GABRIELLE CONCHOLA, CPA

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

May 25, 2023

To the Board of Directors of
United Way of North Central Oklahoma, Inc.
Ponca City, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Way of North Central Oklahoma, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 25, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of North Central Oklahoma, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way of North Central Oklahoma, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Way of North Central Oklahoma, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way of North Central Oklahoma, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

United Way of North Central Oklahoma, Inc.
May 25, 2023

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBEW Professional Group, LLP

CBEW Professional Group, LLP
Certified Public Accountants