

UNITED WAY OF PONCA CITY, INC.
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

UNITED WAY OF PONCA CITY, INC.
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YEAR ENDED DECEMBER 31, 2021

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Independent Auditor's Report

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

Opinion

We have audited the accompanying statement of financial position of United Way of Ponca City, Inc. (a nonprofit organization), as of December 31, 2021 and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of United Way of Ponca City, Inc. as of December 31, 2021, 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 of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Ponca City, Inc and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 the 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 Ponca City, 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 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Ponca City, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Ponca City, 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.

Required Supplementary Information

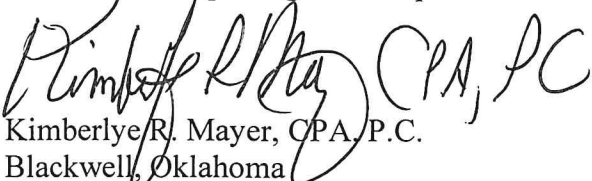
United Way of Ponca City, Inc. has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basis financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basis financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying schedule of federal and state financial awards and the statement of revenues and expenses 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 basic 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 schedule of federal and state financial awards and the statement of revenues and expenses are 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 a report dated August 10, 2022 on our consideration of United Way of Ponca City, Inc.’s internal control over financial reporting and on our tests of its compliance with certain laws, regulations, contracts and grants 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 the effectiveness of the United Way of Ponca City, Inc.’s 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 Ponca City, Inc.’s internal control over financial reporting and compliance.


Kimberlye R. Mayer, CPA, P.C.
Blackwell, Oklahoma
August 10, 2022

UNITED WAY OF PONCA CITY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Current Assets:

Cash and cash equivalents (Note 2)	\$ 522,383
Certificates of deposit	230,888
Investments (Note 2)	884,826
Unconditional promises to give (Note 4):	
Without donor restrictions	214,841
Grant receivables (Note 2)	5,784
Total Current Assets	<u>1,858,722</u>

Property, Furniture and equipment

(net of accumulated depreciation) (Note 5)	<u>105,130</u>
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Total Assets	<u><u>\$ 1,963,852</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 2,853
Unearned rent	376
Agency allocation payable (Note 6)	324,990
Total Current Liabilities	<u>328,219</u>

Net Assets:

Without donor restrictions	908,909
With donor restrictions	726,724
Total Net Assets	<u><u>1,635,633</u></u>

Total Liabilities and Net Assets	<u><u>\$ 1,963,852</u></u>
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The accompanying report and notes are an integral part of these financial statements.

UNITED WAY OF PONCA CITY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Change in net assets without donor restriction:

Revenues, gains and other support:	
United Way campaign	\$ 467,628
Contributions, grants & sponsorships	158,650
Program income	60,864
Rent income	9,120
Investment income, net	19,549
Change in market value of investments	39,672
Total revenue and other support without donor restrictions	755,483
Reclassifications	
Net assets released from restriction	
Total revenue, gains and other support without donor restrictions	755,483
Expenses and losses:	
Program Services:	
Community programs	221,614
Agency allocations and grants	367,725
Supporting Services:	
Management and general	85,614
Fundraising expenses	37,412
Total Expenses	712,365
Changes in market value	
Total expenses and losses	712,365
Increase (decrease) in net assets without donor restrictions	43,118
Changes in net assets with donor restrictions:	
Donations	74,383
Investment income & market changes	54,482
Net assets released from restrictions	
Increase (decrease) in net assets with donor restrictions	128,865
Increase (decrease) in net assets	171,983
Net assets at beginning of year	1,463,650
Net assets at end of year	\$ 1,635,633

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

UNITED WAY OF PONCA CITY, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

Cash Flows Provided (Used) by Operating Activities:	
Increase (decrease) in net assets	\$ 171,983
Adjustments to reconcile net cash provided (used) by operating activities:	
Depreciation	8,822
Net (increase) decrease in promises to give	40,456
Net (increase) decrease in grants receivables	(51)
Net increase (decrease) in payables	16,690
Net Cash Provided (Used) by Operating Activities	237,900
Cash Flows Provided (Used For) Investing Activities:	
(Increase) decrease in certificates of deposit	(1,532)
(Increase) decrease in investments	(93,909)
(Increase) decrease in restricted cash	
(Increase) in fixed assets	
Net Cash Provided (Used) by Investing Activities	(95,441)
Cash Flows Provided (Used For) Financing Activities:	
Net Increase (Decrease) in Cash and Cash Equivalents	142,459
Beginning Cash and Cash Equivalent Balance	379,924
Ending Cash and Cash Equivalent Balance	\$ 522,383

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

UNITED WAY OF PONCA CITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising	Totals
Personnel costs	\$ 115,421	\$ 42,360	\$ 32,308	\$ 190,089
Special projects and grants	14,531			14,531
Agency allocations	338,296			338,296
Bad debts	29,429			29,429
Campaign costs			5,104	5,104
Volunteer costs	31,901			31,901
Insurance	2,843	6,041		8,884
Utilities, phone and internet	4,137	6,314		10,451
Rent		10,200		10,200
Supplies and postage	7,880	5,425		13,305
National dues		10,551		10,551
Auto, travel and meetings	117	1,180		1,297
Professional fees	10,440			10,440
Depreciation	5,641	3,181		8,822
R&M and supplies	1,622			1,622
Program expense	27,081			27,081
Other expenses		362		362
Total Expenses	<u>\$ 589,339</u>	<u>\$ 85,614</u>	<u>\$ 37,412</u>	<u>\$ 712,365</u>

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

UNITED WAY OF PONCA CITY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021

NOTE 1 – ORGANIZATION:

United Way of Ponca City, Inc. (the organization) 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.

United Way of Ponca City, 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.

Familywise 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 program that gifts free books to children.

United Way of Ponca City, 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of the organization have been prepared in accordance with generally accepted accounting principles of the U.S. The organization utilizes the accrual basis of accounting; their revenues are recognized when they are earned and their expenses are recognized when they are incurred. The organization reports information regarding its financial position and activities according to the following net asset classifications:

UNITED WAY OF PONCA CITY, INC.
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Basis of Accounting (continued):

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 management and 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, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from the net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated between program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries & benefits	Time and effort
Travel & training	Time and effort
Facilities expense	Square footage/usage
Telephone/internet	Usage
Office expense & supplies	Usage

Cash and Cash Equivalents

Cash and cash equivalents include cash accounts, money market funds and all highly liquid investments with an initial maturity of three months or less. Cash restricted by a granting agency for a specific use is excluded from cash equivalents. Cash and cash equivalents at December 31, 2021 consisted of United Way accounts totaling \$372,612 and the RSVP account of \$149,771.

Grants Receivable

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

UNITED WAY OF PONCA CITY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Accounting for Contributions:

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Several volunteers have made significant contributions of their time in furtherance of the organization's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in without donor restricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

NOTE 3 – TAX STATUS:

The Organization is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has been determined by the Internal Revenue Service 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 taxable income. Contributions to the organization are tax deductible to donors under Section 170 of the Internal Revenue Code. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the fiscal years ending 2019, 2020 and 2021 are subject to examination by the IRS, generally for three years after they were filed.

UNITED WAY OF PONCA CITY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 4 – UNCONDITIONAL PROMISES TO GIVE:

Contributions are recognized when the donor makes a promise to give (pledges) to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in without donor restriction net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in with donor restriction net assets depending on the nature of the restrictions. When a restriction expires, with donor restriction net assets are classified to without donor restriction net assets.

NOTE 5 – PROPERTY, FURNITURE AND EQUIPMENT:

Depreciable assets are recorded at cost when purchased and at fair value if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$500 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Total depreciation for the year ended December 31, 2021 was \$8,822. The balances for depreciable assets, by major category, are as follows:

Building	\$ 160,060
Office equipment	39,142
RSVP equipment	12,708
Total	<u>211,910</u>
Accumulated depreciation	(106,780)
Total	<u><u>\$ 105,130</u></u>

NOTE 6 – AGENCY ALLOCATION PAYABLE:

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

NOTE 7 – RESTRICTED FUNDS:

Endowment Funds

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 endowment fund is administered by the Endowment Board of Trustees and contains proceeds from both unrestricted gifts designated by the United Way Board of Directors as subject to the terms of the endowment fund and restricted gifts designated by the donors for special purposes in accordance with a contract entered into with the donors. It is the intent that the principal generated through unrestricted gifts and designated to the endowment fund shall never be invaded or used for any purpose.

UNITED WAY OF PONCA CITY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021

NOTE 7 – RESTRICTED FUNDS (continued):

Endowment Funds (continued):

If, however, such circumstances arise which would necessitate the invasion of said principal in order to maintain the well-being of the endowment, any such use must be approved by a unanimous decision of the United Way Board of Directors and the Endowment Board of Trustees.

Other Restricted Funds:

All principal generated through restricted gifts and designated by the donor for special purposes will be used in accordance with the terms of the contract. All such donor-restricted gifts are reported as an increase in with donor restriction net assets, depending on the nature of the restriction. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions. At December 31, 2021, the organization had funds of \$726,724 that were donor restricted.

NOTE 8 – FAIR VALUES OF FINANCIAL INSTRUMENTS:

The definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spread and credit risk).

Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The Organization's financial instruments include cash and cash equivalents, certificates of deposit, investments, grants and promises receivable and payables. The Organization's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statement of net position. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

NOTE 9 – RISK MANAGEMENT:

United Way of Ponca City, Inc. is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The organization purchases commercial insurance for these and other risks of loss.

UNITED WAY OF PONCA CITY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021

NOTE 10 – LIQUIDITY AND CASH MANAGEMENT:

The organization has a finance committee that is responsible for all financial accounts which includes operating accounts for the conduct of the daily affairs; holding accounts for the collection of funds for the next year's campaign; a maintenance and repair account; special grants account for grants and special projects; a separate account for the RSVP program; and reserve accounts.

The reserve accounts contain dedicated funds which have been established for the purpose of insuring the future well-being of the organization. The emergency office fund is maintained in case of a budget shortfall and contains funds to enable the office operations to continue for one year. The emergency agency fund is maintained and available to be used when the future well-being of one of the sponsored agencies is threatened. The technical capital grant fund is used to assist agencies with technology needs. Once these accounts are fully funded, any additional reserve revenues may be earmarked for a discretionary fund. At December 31, 2021, the reserve accounts had balances of \$229,641.

The organization's management, armed with timely and accurate financial data, is able to quickly identify any budget issues that may affect the continuity of services.

NOTE 11 – ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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.

NOTE 12 – 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 expenditures that could be disallowed by the grantor agencies, if any, would not be significant.

NOTE 13 – EVALUATION OF SUBSEQUENT EVENTS:

United Way of Ponca City, Inc. has evaluated subsequent events through August 10, 2022 the date which the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

SUPPLEMENTAL INFORMATION

UNITED WAY OF PONCA CITY, INC.
 SCHEDULE OF FEDERAL AND STATE FINANCIAL AWARDS
 YEAR ENDED DECEMBER 31, 2021

<u>Grantor/Program</u>	<u>Contract Period</u>	<u>Contract Amount</u>	<u>Contract Number</u>	<u>CFDA Number</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements Expenses Recognized</u>
<u>Federal Financial Awards</u>						
Corporation for National and						
Community Service:						
RSVP	7/01/20 - 6/30/21	\$ 66,639		94.002	\$ 27,914	\$ 27,914
	7/01/21 - 6/30/22	\$ 66,639		94.002	32,950	32,950
Total Federal Awards					<u>\$ 60,864</u>	<u>\$ 60,864</u>

UNITED WAY OF PONCA CITY, INC.
STATEMENT OF REVENUES AND EXPENSES BY PROGRAM
YEAR ENDED DECEMBER 31, 2021

	<u>Local</u>	<u>RSVP</u>	<u>Totals</u>
Support and Revenues:			
United Way campaign	\$ 467,628	\$	\$ 467,628
Donations, grants & sponsorships	34,386	124,264	158,650
Program income		60,864	60,864
Rent income	9,120		9,120
Investment income	59,221		59,221
Other income			0
Total Support & Revenues	<u>570,355</u>	<u>185,128</u>	<u>755,483</u>
 Expenses:			
Personnel costs	92,310	97,779	190,089
Special projects and grants	14,531		14,531
Agency allocations	338,296		338,296
Bad debts	29,429		29,429
Campaign costs	5,104		5,104
Volunteer costs		31,901	31,901
Insurance	6,041	2,843	8,884
Utilities, phone and internet	6,911	3,540	10,451
Rent		10,200	10,200
Supplies and postage	8,396	4,909	13,305
National dues	10,551		6,680
Auto, travel and meetings	1,180	117	1,297
Professional fees	10,440		10,440
Depreciation	7,051	1,771	8,822
R&M and supplies	1,622		1,622
Program expenses		27,081	27,081
Other expenses	362		362
Total Expenses	<u>\$ 532,224</u>	<u>180,141</u>	<u>\$ 712,365</u>
 Revenues Over (Under) Expenses	<u>\$ 38,131</u>	<u>\$ 4,987</u>	<u>\$ 43,118</u>

SUPPLEMENTAL REPORT
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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.

Board of Directors
of the United Way of Ponca City, Oklahoma

We have audited, 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, the financial statements of United Way of Ponca City, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 10, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Way of Ponca City, 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 the United Way of Ponca City, Inc's internal control. Accordingly, we do not express an opinion on the effectiveness of the United Way of Ponca City, 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 combination of control deficiencies, in internal control such that there is 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.

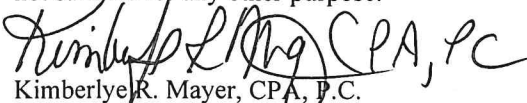
Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any 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 Ponca City, Inc's financial statements are free of 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*.

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.


Kimberley R. Mayer, CPA, P.C.
Blackwell, Oklahoma
August 10, 2022