THE WHITLOCK CO.

CPAs and Consultants

UNITED WAY OF THE OZARKS, INC.

FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT

SIX MONTHS ENDED JUNE 30, 2017

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of **United Way of the Ozarks, Inc.** (United Way), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the six months then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to United Way'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 United Way's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **United Way of the Ozarks, Inc.** as of June 30, 2017, and the change in its net assets and its cash flow for the six months then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

The Whitlock Co., LLP

Springfield, Missouri
October 25, 2017

UNITED WAY OF THE OZARKS, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017

ASSETS

Current assets	
Cash and cash equivalents	$ 379,147
Short-term investments	151,515
Pledge receivables	
Current campaign, net	9,816
Prior campaign, net	1,066,479
Prepaid expenses	4,879
Total current assets	1,611,836
Non-current	
Cash surrender value of life insurance policy	33,026
Long-term investments	406,059
Fixed assets, net	123,503
Total non-current assets	562,588
Total assets	$ 2,174,424

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	$ 32,832
Accrued salaries	10,075
Accrued vacation	13,078
Due to agencies	856,398
Total current liabilities	912,383
Net assets	
Unrestricted	
Unrestricted, undesignated	235,769
Unrestricted, designated	406,059
Total unrestricted	641,828
Temporarily restricted	620,213
Total net assets	1,262,041
Total liabilities and net assets	$ 2,174,424

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

STATEMENT OF ACTIVITIES

UNITED WAY OF THE OZARKS, INC.

STATEMENT OF ACTIVITIES

FOR THE SIX MONTHS ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Total
Revenue and other support			
Campaign - current period			
Contributions received - released from restriction	$ 1,094,990	$ (1,094,990)	$ -
Write off adjustment to 2017 and 2016 campaign	(355)	-	(355)
Total campaign - current period	1,094,635	(1,094,990)	(355)
Campaign - next allocation period			
Contributions received	-	55,177	55,177
Contributions received - released from restrictions	-	-	-
Less donor designations	-	-	-
Less allowance for uncollectible pledges	-	-	-
Total campaign - next allocation period	-	55,177	55,177
Total campaign	1,094,635	(1,039,813)	54,822
Program income	8,742	-	8,742
Miscellaneous income	44,350	-	44,350
Unrealized gain on designated quasi-endowments	19,732	-	19,732
Interest and dividends from designated quasi-endowments	3,632	-	3,632
Interest and dividends from investments	1,675	320	1,995
Service fee income	80,552	-	80,552
In-kind contributions	1,121	-	1,121
Total revenue and other support	$ 1,254,439	$ (1,039,493)	$ 214,946

(continued)

UNITED WAY OF THE OZARKS, INC.

STATEMENT OF ACTIVITIES

FOR THE SIX MONTHS ENDED JUNE 30, 2017

(continued)

	Unrestricted	Temporarily Restricted	Total
Total revenue and support	$ 1,254,439	$ (1,039,493)	$ 214,946
Expenses			
Program services			
Community Investment	1,012,606	-	1,012,606
Labor	11,462	-	11,462
Public relations	37,607	-	37,607
United Way projects	8,746	-	8,746
Total program services	1,070,421	-	1,070,421
Support services			
Fundraising	117,332	-	117,332
Management and general	171,224	-	171,224
Total support services	288,556	-	288,556
Total expenses	1,358,977	-	1,358,977
Change in net assets	(104,538)	(1,039,493)	(1,144,031)
Net assets - beginning of period	746,366	1,659,706	2,406,072
Net assets - end of period	$ 641,828	$ 620,213	$ 1,262,041

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

UNITED WAY OF THE OZARKS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE SIX MONTHS ENDED JUNE 30, 2017

	PROGRAM SERVICES					SUPPORT SERVICES		
	Community Investment	Labor	Public Relations	United Way Projects	Total Program Services	Fundraising	Management and General	Totals
Salaries and related expenses	$ 92,495	$ 8,924	$ 18,620	$ -	120,039	$ 91,034	$ 117,080	$ 328,153
Professional fees	480	42	84	-	606	692	20,461	21,759
Supplies and materials	1,909	180	341	-	2,430	2,726	3,077	8,233
Telephone	798	116	218	-	1,132	1,302	2,012	4,446
Occupancy	3,603	568	716	-	4,887	4,740	6,001	15,628
Insurance	531	90	120	-	741	593	722	2,056
Printing	229	41	1,198	-	1,468	4,183	247	5,898
Local travel	271	9	31	-	311	144	-	455
Trainings	1,736	69	1,769	-	3,574	1,973	91	5,638
Educational programming	1,856	-	123	-	1,979	274	1,460	3,713
Membership dues	551	378	500	-	1,429	969	2,401	4,799
Equipment maintenance	289	41	80	-	410	491	3,517	4,418
Annual meeting	-	-	12,424	-	12,424	-	-	12,424
Public education	16,148	-	-	8,746	24,894	15	-	24,909
Contractual services	-	-	206	-	206	2,530	2,487	5,223
Miscellaneous expenses	-	-	-	-	-	-	1,131	1,131
United Way Worldwide dues	4,686	819	571	-	6,076	3,773	6,653	16,502
Special allocations	20,616	-	-	-	20,616	-	-	20,616
In-kind expenditures	-	-	-	-	-	-	1,121	1,121
Total expenses before depreciation and other expenses	146,198	11,277	37,001	8,746	203,222	115,439	168,461	487,122
Depreciation of fixed assets	2,398	185	606	-	3,189	1,893	2,763	7,845
Total expenses before other expenses	148,596	11,462	37,607	8,746	206,411	117,332	171,224	494,967
Agency allocation	864,010	-	-	-	864,010	-	-	864,010
Less donor designations	-	-	-	-	-	-	-	-
Total expenses	$ 1,012,606	$ 11,462	$ 37,607	$ 8,746	$ 1,070,421	$ 117,332	$ 171,224	$ 1,358,977

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

UNITED WAY OF THE OZARKS, INC.

STATEMENT OF CASH FLOWS

SIX MONTHS ENDED JUNE 30, 2017

Cash flows from operating activities	
Campaign contributions - current period	$ 1,103,729
Campaign contributions - next allocation period	258,836
Program income	8,742
Miscellaneous income	126,396
Interest income	5,627
Direct payments to agencies	(874,536)
Salaries and related expenditures	(347,215)
Other operating expenditures	(189,279)
Net cash provided by operating activities	92,300
Cash flows from investing activities	
Purchase of fixed assets	(43,400)
Purchase of investments	(5,483)
Sale of investments	1,456
Net cash used in investing activities	(47,427)
Increase in cash and cash equivalents	44,873
Cash and cash equivalents at beginning of period	334,274
Cash and cash equivalents at end of period	$ 379,147

(continued)

UNITED WAY OF THE OZARKS, INC.

STATEMENT OF CASH FLOWS

SIX MONTHS ENDED JUNE 30, 2017

(continued)

Reconciliation of change in net assets to	
net cash provided by operating activities	
Change in net assets	$ (1,144,031)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	7,845
Unrealized gain on designated quasi-endowments	(19,732)
Decrease in:	
Pledges receivable	1,307,743
Accounts receivable	373
Prepaid expenses	5,759
Decrease in:	
Accounts payable	(36,069)
Accrued salaries	(1,730)
Accrued vacation payable	(17,332)
Due to other agencies	(10,526)
Net cash provided by operating activities	$ 92,300

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

1. Summary of significant accounting policies

Nature of activities

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

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

Promises to give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions are reported either in the unrestricted net asset class, or the temporarily restricted net asset class, based on the time frame within which any restrictions expire. The United Way reports all contributions that are restricted by donor in the temporarily restricted net asset class. When the restriction expires, temporarily restricted net assets are reclassified to the unrestricted class.

If a restriction expires in the same fiscal year as the contribution is received, the contribution is reported in the unrestricted class.

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

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

Basis of accounting

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

Financial statement presentation

United Way's financial statements are presented in accordance with Financial Accounting Standards Board (FASB) *Codification Topic 958*, "Not-For-Profit Entities." Under FASB *Codification Topic 958*, the United Way reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. United Way does not have any net assets that are permanently restricted, therefore that asset class is absent from these financial statements.

In accordance with FASB *Codification Topic 958,* all expenses are reported in the unrestricted net asset class. As restrictions are met, reclassification entries are made to move net assets from the temporarily restricted class to the unrestricted class so that expenditures may be made within that asset class.

Contributions

In accordance with the requirements of FASB *Codification Topic 958,* United Way records its current year pledges receivable in the temporarily restricted net asset class since pledges are raised for the following year. Any net pledges receivable remaining at year-end from the prior year campaign are reclassified to the unrestricted net asset class at year-end, since their time restriction has expired.

In accordance with FASB *Codification Topic 958,* other contributions received are recorded as unrestricted or temporarily restricted depending on the existence and/or nature of donor or other restrictions. Funds which have been designated by the donor to agencies outside of United Way are reported as a reduction of total campaign revenue, as required by FASB *Codification Topic 958.* Amounts which have been treated in this manner for the six months ended June 30, 2017 total $0.

Cash and cash equivalents

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

Property and equipment

Property and equipment are stated at cost or at their fair market value if donated and are reported in the unrestricted net asset class. All long-lived assets with a cost, or fair market value if donated, of $1,000 or greater are capitalized and depreciated. Depreciation is computed on a straight-line basis over the useful life of the asset, typically 3-10 years for furniture and equipment.

Deferred revenue

Deferred revenue amounts as listed on the Statement of Financial Position represent grant or other funds, which are available for use in future periods. Revenue recognition will occur as qualifying expenditures are made.

Functional expenses

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

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

Community Investment

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

Labor

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

Public relations

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

United Way projects

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

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

Campaign

Campaign includes those costs associated with conducting the annual campaign.

Planned giving

Planned giving includes designated funds with the Community Foundation of the Ozarks, life insurance policies, and Central Trust and Investment Company. The purpose of the designated planned giving funds is to offer a planned giving program that will build designated funds for the financial stability of United Way. Income generated from the fund would benefit community agencies.

Management and general

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

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax-exempt status

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

Uncertainty in income taxes

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

United Way's income tax filings are subject to audit by various taxing authorities. United Way's open tax audit periods are 2014 through 2017. In evaluating United Way's tax positions, interpretations and tax planning strategies are considered. United Way believes their estimates are appropriate based on current facts and circumstances.

Recent accounting pronouncements

The FASB issue ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, (ASU 2016-14) in August 2016. ASU 2016-14 improves the current net asset classification requirements and the information presented in the financial statements and notes about United Way’s liquidity, financial performance, and cash flows. The new standard is effective for fiscal years beginning after December 15, 2017. United Way is currently evaluating the effect that implementation of the new standard will have on its financial statements.

In February 2016, the FASB issued ASU 2016-02 *Leases*. ASU 2016-02 requires recognition of the assets and liabilities that arise from leases. The new standard is effective for fiscal years beginning after December 15, 2019. United Way is currently evaluating the effect that implementation of the new standard will have on its statement of financial position, statement of activities, and cash flows.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, (ASU 2014-09) which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This guidance will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for nonpublic organizations with fiscal years beginning after December 15,2019. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. United Way is evaluating the effect that ASU 2014-09 will have on its financial statements.

The FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, in June 2016. Its implementation will result in a new Accounts Receivable loss accounting framework, also known as the current expected credit loss (CECL) model. CECL requires credit losses expected throughout the life of the asset to be recorded at the time of origination. Under the current incurred loss model, losses are recorded when it is probable that a loss event has occurred. The new standard will require significant operational changes, especially in data collection and analysis. The ASU is effective for interim and annual periods beginning January 1, 2021, and is expected to increase the allowance upon adoption. United Way is assessing the standard and is in the process of reviewing the capability of its systems and processes to support the data collection and retention required to implement the new standard.

2. Investments

Investments at June 30, 2017 consist of the following:

	June 30, 2017		
Depository	Amount	Rate	Maturity
Certificates of Deposit			
Springfield First Community Bank	$ 50,375	1.00%	08/24/17
Great Southern Bank	101,140	1.11%	07/21/18
Total Certificates of Deposit	151,515		
Community Foundation	93,684		
Central Trust and Investment Co.	312,375		
Total investments	$ 557,574		

Cost basis for United Way investments held with Community Foundation was $75,397 at June 30, 2017. A portion of the funds held by the Community Foundation have been designated by the board as a quasi-endowment fund and is carried at market value based on information provided by Community Foundation.

The investments in Central Trust and Investment Co. have been designated by the board as a quasi-endowment fund and is carried at market value based on information provided by Central Trust and Investment Co. The cost basis of this investment at June 30, 2017 was $279,802.

During the six months ended June 30, 2017, the unrealized gains on all investments totaled $19,732.

During the six months ended June 30, 2017, interest and dividends on all investments listed above and the operating account totaled $5,627.

3. Pledge receivables

Pledges to the United Way campaign are due within one year as the campaign is conducted on an annual basis. United Way writes remaining pledge receivables off the books after two years. Pledge receivables from the prior year campaign are presented in the unrestricted fund since the time restrictions on the use of the funds have expired. Pledge receivables from the campaign conducted in the fall of 2017 (2016) are reported in the temporarily restricted class since the cash flows from those receivables are to be used in the following year - 2018 (2017). The amounts receivable for the two campaigns, as well as their related allowances for uncollectible pledges at June 30, 2017, are as follows:

	June 30, 2017		
	Unrestricted 2015 Campaign	Unrestricted 2016 Campaign	Temporarily Restricted 2017 Campaign
Pledge receivables	$ 176,050	$ 1,242,700	9,816
Less: allowance for uncollectible pledges	(176,050)	(176,221)	-
Pledge receivables, net	$ -	$ 1,066,479	$ 9,816

4. Cash surrender value of life insurance policy

In December 2004, United Way received a donation of a life insurance policy in which the organization was the designated beneficiary. The United Way began paying the annual premiums in fiscal year 2004. The cash surrender value of the life insurance policy at June 30, 2017 was $33,026.

5. Due to agencies

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

	2017
Due to agencies	$ 856,398

6. Fixed assets

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

Description	2017
Furniture and equipment	$ 84,531
Computer software	17,025
Leasehold improvements	177,993
Total fixed assets	279,549
Less accumulated depreciation	(156,046)
Total fixed assets, net	$ 123,503

Additions to each asset class are described below:

Description	2017
Leasehold improvements	$ 43,400

Depreciation expense for the six months ended June 30, 2017 was $7,845.

7. Unrestricted net assets

Unrestricted board designated net assets are those assets which have been designated by the United Way board for use in specific projects. Unrestricted net assets are available for the following purposes at June 30:

Designation	2017
Unresticted, undesignated	$ 235,769
Unrestricted, board designated	406,059
	$ 641,828

8. Temporarily restricted net assets

Temporarily restricted net assets are those assets which have been provided by donors for use in specific projects and/or for use in a specific time period. Those funds are held in the temporarily restricted net asset class until expended.

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

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

Temporarily restricted net assets are available for the following purposes at June 30:

Restriction type	2017
Time restriction	
Campaign funds for use in 2017 (2016)	$ 418,778
Purpose restriction	
United Way donor restricted	140,675
Entrepreneurial fund	60,760
Total temporary restricted net assets	$ 620,213

9. Contributed services and materials

During the six months ended June 30, 2017, there were no material contributed services meeting the requirements for recognition in the financial statements outlined in *FASB Codification Topic 958*. Often, materials are donated to United Way from various sources and then passed on to the member agencies. These amounts were booked as revenue and expense for the period. In addition, program materials in the amount of $1,121 were recorded as revenue and expense for United Way projects for the six months ended June 30, 2017.

10. Retirement plan

United Way participates in a defined contribution retirement plan covering all employees who have completed one year of service at United Way or another qualifying organization. This plan is in accordance with Internal Revenue Code Sec. 403(b). For employees meeting eligibility requirements, United Way contributes 10% of each employee's salary to a fund administered by Mutual of America. The employer contribution for the six months ended June 30, 2017 was $27,862.

11. Concentration of credit risk

United Way maintains cash balances in non-interest bearing transaction accounts at several financial institutions located in the Springfield, Missouri area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation and are subject to the $250,000 limitation. The total bank balance of all accounts at Guaranty Bank was $466,702 at June 30, 2017. The account balances are held in sweep accounts where funds are swept each night into accounts where funds are secured by government securities.

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

12. Leases

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

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

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

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

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

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

13. Fair value of financial instruments

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

FASB Codification Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB Codification Topic 820 establishes a fair value hierarchy that prioritizes the inputs used in valuation techniques used to measure fair value into three levels, with Level 1 being the highest priority.

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

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

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

The following are major categories of assets and liabilities measured at fair value on a recurring basis during the six months ended June 30, 2017:

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

	June 30, 2017			
	Fair Value			Carrying
	Level 1	Level 2	Level 3	Amount
Financial Assets				
Investments				
Community Foundation	$ -	$ 93,684	$ -	$ 93,684
Central Trust - Equities	172,602	-	-	172,602
Central Trust - Fixed income	-	103,795	-	103,795
Central Trust - Alternative	-	27,048	-	27,048
Central Trust - Cash and equivalents	8,930	-	-	8,930
Certificates of deposit	151,515	-	-	151,515
	$ 333,047	$ 224,527	$ -	$ 557,574

14. Subsequent events

In preparing these financial statements, United Way has evaluated events and transactions for potential recognition or disclosure through October 25, 2017, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

UNITED WAY OF THE OZARKS, INC.

SCHEDULE OF AGENCY ALLOCATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2017

Agency allocations (approved for July 2017 through December 2017)		
American Red Cross of Southern Missouri	$	94,354
Betty and Bobby Allison - Ozarks Counceling Center		36,997
Big Brothers/Big Sisters of the Ozarks		34,063
Boy Scouts of America, Ozark Trails Council		46,463
Boys & Girls Club of Springfield		136,840
Community Partnership of the Ozarks		43,099
Court Appointed Special Advocates (CASA)		14,378
Developmental Center of the Ozarks (DCO)		26,344
Girl Scouts of the Missouri Heartland		43,122
Great Circle - Boys & Girls Town of Missouri		17,632
Habitat for Humanity		7,893
Harmony House		26,570
Kids First		13,644
Lutheran Family & Children's Services		16,987
NAMI (National Alliance for Mental Illness)		16,867
OTC Middle College		9,355
Ozarks Literacy Council		12,684
Ozarks Regional YMCA		59,307
Retired and Senior Volunteer Program (RSVP)		12,871
Salvation Army		92,932
The Kitchen/Rare Breed		3,742
The Victim Center		52,500
Restricted payments to partner agencies		45,366
Net agency allocations	$	864,010

See Independent Auditor’s Report.

UNITED WAY OF THE OZARKS, INC.

SCHEDULE OF SPECIAL ALLOCATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2017

Imagination Library Initiative	12,005
United Way of the Ozarks grants	
Cox Foundation - Colorectal Cancer Awareness	1,500
Hands on for Seniors	2,566
United Way Cancer Fund	1,185
United Way Veteran's Emergency Assistance Fund	260
Women's Leadership Initiative (Help Us Graduate)	3,100
Total special allocations	$ 20,616

See Independent Auditor's Report.