

**UNITED WAY OF SOUTH CENTRAL OKLAHOMA, INC.  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2023**



**Jackson, Fox and Richardson  
A Professional Corporation  
Certified Public Accountants  
Ardmore, Oklahoma**

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# **JACKSON, FOX and RICHARDSON**

## **A Professional Corporation**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
United Way of South Central Oklahoma, Inc.  
Ardmore, Oklahoma

### **Opinion**

We have audited the accompanying financial statements of United Way of South Central Oklahoma, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of United Way of South Central Oklahoma, Inc. as of December 31, 2023, 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 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 South Central Oklahoma, 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 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 South 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 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, we:

- 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 South Central Oklahoma'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 South Central Oklahoma'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.

A handwritten signature in black ink that reads "Jackson, Fox, & Richardson PC". The signature is written in a cursive, flowing style.

Ardmore, Oklahoma  
August 22, 2025

**UNITED WAY OF SOUTH CENTRAL OKLAHOMA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**12/31/23**

	Without Donor Restrictions <u>Undesignated</u>	Without Donor Restrictions <u>Designated</u>	With Donor Restrictions <u>Purpose Restricted</u>	With Donor Restrictions <u>Perpetual in Nature</u>	<u>Total</u>
<b><u>ASSETS</u></b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 1,122,219	\$ -	\$ 11,748	\$ -	\$ 1,133,967
Pledges receivable, net	-	757,500	-	-	757,500
Certificates of deposit	252,663	-	-	-	252,663
<b>Total Current Assets</b>	<b>1,374,881</b>	<b>757,500</b>	<b>11,748</b>	<b>-</b>	<b>2,144,129</b>
<b>LONG TERM ASSETS</b>					
Property and equipment net of accumulated depreciation - NOTE 3	986	-	-	-	986
Leased asset net of accumulated amortization - NOTE 10	43,863	-	-	-	43,863
Beneficial Interests – NOTE 9	-	-	-	2,500,485	2,500,485
<b>Total Long Term Assets</b>	<b>44,850</b>	<b>-</b>	<b>-</b>	<b>2,500,485</b>	<b>2,545,335</b>
<b>Total Assets</b>	<b>\$ 1,419,731</b>	<b>\$ 757,500</b>	<b>\$ 11,748</b>	<b>\$ 2,500,485</b>	<b>\$ 4,689,464</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>					
<b>CURRENT LIABILITIES</b>					
Payroll liabilities	\$ 3,900	\$ -	\$ -	\$ -	\$ 3,900
Pledges payable	1,525	-	-	-	1,525
Lease liability	49,575	-	-	-	49,575
<b>Total Current Liabilities</b>	<b>55,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,001</b>
<b>NET ASSETS</b>					
With donor restrictions:					
Purpose restricted - NOTE 5	-	-	11,748	-	11,748
Perpetual in nature - NOTE 9	-	-	-	2,500,485	2,500,485
Without donor restrictions:					
Board designated	-	757,500	-	-	757,500
Undesignated	1,364,730	-	-	-	1,364,730
<b>Total Net Assets</b>	<b>\$ 1,364,730</b>	<b>\$ 757,500</b>	<b>\$ 11,748</b>	<b>\$ 2,500,485</b>	<b>\$ 4,634,463</b>

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

**UNITED WAY OF SOUTH CENTRAL OKLAHOMA, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions <u>Undesignated</u>	Without Donor Restrictions <u>Designated</u>	With Donor Restrictions Purpose <u>Restricted</u>	With Donor Restrictions Perpetual in <u>Nature</u>	<u>Total</u>
<b><u>REVENUES, GAINS, AND OTHER SUPPORT</u></b>					
Contributions, cash and in-kind	\$ 1,333,582	\$ -	\$ 30,000	\$ -	\$ 1,363,582
Investment income	18,476	-	-	-	18,476
Other income	-	-	-	-	-
Change in value of split-interest valuation	-	-	-	550,974	550,974
Net assets released from restriction - NOTE 5	25,172	-	(25,172)	-	-
<b>TOTAL REVENUES, GAINS, AND OTHER SUPPORT</b>	<b>1,377,231</b>	<b>-</b>	<b>4,828</b>	<b>550,974</b>	<b>1,933,033</b>
<b><u>OPERATING EXPENSES</u></b>					
Program expenses	84,313	757,500	-	-	841,813
Administrative expenses	171,380	-	-	-	171,380
Fundraising expenses	71,358	-	-	-	71,358
<b>TOTAL EXPENSES</b>	<b>327,052</b>	<b>757,500</b>	<b>-</b>	<b>-</b>	<b>1,084,552</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,050,179</b>	<b>(757,500)</b>	<b>4,828</b>	<b>550,974</b>	<b>848,481</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>1,114,252</b>	<b>715,300</b>	<b>6,920</b>	<b>1,949,511</b>	<b>3,785,983</b>
Transfers between funds	(799,700)	799,700	-	-	-
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 1,364,731</b>	<b>\$ 757,500</b>	<b>\$ 11,748</b>	<b>\$ 2,500,485</b>	<b>\$ 4,634,464</b>

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

**UNITED WAY OF SOUTH CENTRAL OKLAHOMA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Services	Administrative	Fundraising	Total
Allocations/Awards	\$ 757,500	\$ -	\$ -	\$ 757,500
Accounting & audit	-	10,832	-	10,832
Bank charges	4,015	-	-	4,015
Continuing education	565	-	-	565
Dues and memberships	16,274	-	-	16,274
Meeting expense	-	655	-	655
Insurance	-	5,920	-	5,920
Miscellaneous	202	-	-	202
Office supplies	-	4,467	-	4,467
Postage and shipping	-	321	-	321
Salaries	14,053	63,240	63,240	140,533
Payroll taxes	1,075	4,838	4,838	10,751
Rent	659	4,610	1,317	6,586
Retirement & benefits	436	1,963	1,963	4,363
Repairs and maintenance	-	25,387	-	25,387
Telephone	1,921	-	-	1,921
Travel	-	475	-	475
Advertising	2,978	-	-	2,978
Utilities	2,597	-	-	2,597
Website	633	-	-	633
Grant expenses	25,172	-	-	25,172
Uncollectibles	-	28,536	-	28,536
Depreciation	-	688	-	688
Amortization	-	14,621	-	14,621
Interest	-	4,827	-	4,827
Campaign expenses	13,734	-	-	13,734
<b>Total expenses</b>	<b>\$ 841,813</b>	<b>\$ 171,380</b>	<b>\$ 71,358</b>	<b>\$1,084,552</b>

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

**UNITED WAY OF SOUTH CENTRAL OKLAHOMA, INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	848,481
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation and amortization		15,310
(Increase) decrease in receivables		134,133
Increase (decrease) in Payables		460
		998,384
Net Cash Provided by Operating Activities		998,384

CASH FLOWS FROM FINANCING ACTIVITIES

Purchase of Property and Equipment		-
Cash payments on lease liability		(8,909)
		(8,909)
Net Cash Used by Financing Activities		(8,909)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investment securities		-
Unrealized (gain) loss from beneficial interest		(550,974)
		(550,974)
Net Cash Provided By Investing Activities		(550,974)
Net Change in Cash and Cash Equivalents		438,501
Beginning Cash and Cash Equivalents		948,129
Ending Cash and Cash Equivalents	\$	1,386,630

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

**UNITED WAY OF SOUTH CENTRAL OKLAHOMA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities**

The United Way of South-Central Oklahoma, Inc. (Organization) is a non-profit corporation organized exclusively for charitable, educational, or welfare purposes. The primary purpose of the Organization is to raise funds through pledges and distribute the funds to participating agencies.

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501c (3) of the Internal Revenue Code.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles, which requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less. The Organization places its temporary cash investments with high credit quality financial institutions. At times such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit.

**Public Support and Revenue Recognition**

The Organization receives contributions when cash, securities or other assets, or an unconditional promise to give is 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 substantially met. The majority of the promises to give are received from a broad base of contributors from the south central Oklahoma area. An allowance for uncollectable promises is provided based on management's evaluation of potential uncollectable promises receivable at year end.

The Organization uses the allowance method to determine uncollectable unconditional promises to give.

**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.

**Property and Equipment**

Acquisitions of property and equipment are capitalized. Property and equipment are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

**UNITED WAY OF SOUTH CENTRAL OKLAHOMA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 2: PLEDGES RECEIVABLE**

Pledges receivable as of December 31, 2023 are as follows:

Receivables in less than one year	\$ 795,975
Allowance for doubtful accounts	<u>(40,000)</u>
Net pledges receivable at end of year	<u><u>\$ 755,975</u></u>

**NOTE 3: FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS**

The following is a summary of furniture, equipment, and leasehold improvements as of December 31, 2023:

Classification	Beginning of the year	Additions	Deletions	End of Year
Furniture and Equipment	\$ 25,068	\$ -	\$ -	\$ 25,068
Leased asset	-	58,484	-	58,484
	<u>25,068</u>	<u>58,484</u>	<u>-</u>	<u>83,552</u>
Less accumulated depreciation	(23,394)	(15,309)	-	(38,703)
	<u>\$ 1,674</u>	<u>\$ 43,175</u>	<u>\$ -</u>	<u>\$ 44,849</u>

Depreciation for furniture and equipment amounted to \$688 and amortization for the leased asset amounted to \$14,621 for the year ended December 31, 2023.

**NOTE 4: ADVERTISING COSTS**

Advertising costs are expensed as incurred and totaled \$2,978 for the year ended December 31, 2023.

**NOTE 5: NET ASSETS**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets related to investment income held by the Hospice for an operating reserve.

*Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. 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. The income in investments of mineral interests derived from Trusts of which the Hospice is beneficiary meets these criteria.

**UNITED WAY OF SOUTH CENTRAL OKLAHOMA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

Net assets with donor restrictions available for the following purposes on December 31, 2024:

	Beginning of year	With donor restrictions contributions	Released from restriction	End of year
Kelly scholarship grant	1,000	-	(1,000)	-
Marshall County tourism	7	-	-	7
Kohaw grant	5,000	-	-	5,000
Human trafficking grant	912	5,000	(3,162)	2,750
Charity tracker grant	-	25,000	(21,010)	3,990
OG&E Day of Caring grant	1	-	-	1
	<u>\$ 6,920</u>	<u>\$ 30,000</u>	<u>\$ (25,172)</u>	<u>\$ 11,748</u>

**NOTE 6: CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash, cash equivalents and unconditional promises to give. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2023, the Organization had \$375,248 in excess of FDIC insurance. Unconditional promises to give are stated at the amount management expects to collect from donors. The Organization establishes an allowance for doubtful accounts based upon historical trends and other information.

During the year ended December 31, 2023, the Organization received unconditional promises to give from one company that accounted for more than 10% of the Organizations' total promises to give. One company had approximately 72% of the total unconditional promises to give outstanding as of December 31, 2023.

**NOTE 7: FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 8: DONATED SERVICES**

The Organization receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under FASB ASC 958-605-25-16 have not been satisfied.

**NOTE 9: BENEFICIAL INTERESTS**

United Way is a named beneficiary of a perpetual charitable trust, the corpus of which is not controlled by the Organization. Under the arrangement, the Organization has the irrevocable right to receive 10% of the revenues of the trust in perpetuity. The donors of the trust were independent of the Organization. Accordingly, the Organization recognizes revenues in the period in which it receives notice that the Trust agreements convey an unconditional right to receive benefits. The income from the trust is unrestricted. The amounts are material and recurring. These interests are reported at the fair value of the trust assets in the statement of financial position, with trust distributions and changes in fair value recognized in the statement of activities.

**UNITED WAY OF SOUTH CENTRAL OKLAHOMA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

J. Sylvester and Walter Lacy Mullen Memorial Charitable Trust B

Prior year Value	\$ 1,949,510	
Change in Value - Current year	<u>550,975</u>	
Current Value		\$ 2,500,485

**NOTE 10: LEASES**

The Organization follows Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)* which requires lessees to recognize a lease asset and lease liability associated with their lease agreements, measured at the present value of the remaining lease payments. The Organization leases an office facility on a 3-year lease agreement effective June 15, 2023 with renewal options on property located 10 W Main, Ardmore, Oklahoma. The lease did not have an expressed interest rate, so the Organization decided to use the current risk-free rate of 8.5%. The present value of the future lease payments was \$58,484. The Organization made total payments of \$20,320 in 2023. The following is a summary of the future payments:

	Principal Payments	Interest Expense	Total	amortization expense	accum amortization
2023	\$ 8,909	\$ 4,825	\$ 13,734	\$ 14,621	\$ 14,621
2024	19,454	4,090	23,544	14,621	29,242
2025	21,059	2,485	23,544	14,621	43,863
2026	9,062	748	9,810	14,621	58,484
	<u>\$ 58,484</u>	<u>\$ 12,148</u>	<u>\$ 70,632</u>		

**NOTE 11: INCOME TAXES**

The Organization's evaluation on December 31, 2023 revealed no uncertain tax position that would have a material impact on the financial statements. The 2021 through 2023 tax years remain subject to examination by the IRS and OTC. The Organization does not believe that any reasonable possible changes will occur within the next twelve months that will have a material impact on the financial statements.

**NOTE 12: SUBSEQUENT EVENTS**

Because of the recent announcement of Michelin shutting down the plant in Ardmore, the impact on future contributions needs to be evaluated closely. The future effects of these issues are unknown at this time.

**NOTE 13: LIQUIDITY AND AVAILABILITY**

The Organization maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. As of December 31, 2023, the Organization held unrestricted cash and cash equivalents of \$1,122,219, of which approximately \$375,248 exceeded the \$250,000 FDIC insurance coverage limit per financial institution. The Organization does not anticipate any losses associated with these balances, as it places its funds with high-credit-quality financial institutions.

**UNITED WAY OF SOUTH CENTRAL OKLAHOMA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

The following table reflects the Organization's financial assets available within one year of the balance sheet date to meet cash needs for general expenditure:

Cash and cash equivalents	\$1,122,219
Pledges receivable	755,975
Distributions from beneficial interests in assets held by others	-
	<u>\$ 1,878,194</u>

Income from beneficial interests is available for general use when released from their restriction.

The Organization regularly monitors its liquidity to ensure it has sufficient resources to meet its operational needs and financial obligations. As part of its liquidity management, the Organization:

- Maintains a policy of structuring its financial assets to be available as general expenditures, liabilities, and other obligations become due.
- Monitors daily cash balances.
- Maintains operating reserves and, if applicable, board-designated reserves to ensure financial flexibility.

Although a portion of the Organization's cash exceeds federally insured limits, management believes that its current liquidity profile is sufficient to support operations for the foreseeable future.

**SUPPLEMENTAL INFORMATION**

**UNITED WAY OF SOUTH CENTRAL OKLAHOMA**  
**COMPARATIVE STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Unaudited)

	Total 2023	Total 2022	Increase (Decrease)
Allocations/Awards	757,000	925,098	(168,098)
Accounting & audit	10,832	10,250	582
Bank charges	4,015	300	3,715
Continuing education	565	116	449
Dues and memberships	16,274	18,410	(2,136)
Meeting expense	655	112	543
Insurance	5,920	4,458	1,462
Miscellaneous	202	577	(375)
Office supplies	4,467	6,907	(2,440)
Postage and shipping	321	350	(29)
Salaries	140,533	116,964	23,569
Payroll taxes	10,751	8,947	1,804
Rent	6,586	12,600	(6,014)
Retirement & benefits	4,363	2,220	2,143
Repairs and maintenance	25,387	4,697	20,690
Telephone	1,921	4,312	(2,391)
Travel	475	1,549	(1,074)
Advertising	2,978	10,539	(7,561)
Utilities	2,597	3,418	(821)
Website	633	600	33
Grant expenses	25,172	21,180	3,992
Uncollectibles	28,536	(3,412)	31,948
Depreciation	688	630	58
Amortization	14,621	-	14,621
Interest	4,827	-	4,827
Campaign expenses	13,734	-	13,734
<b>Total expenses</b>	<b>\$ 1,084,053</b>	<b>\$ 1,150,822</b>	<b>\$ (66,769)</b>