



THE WHITLOCK CO.

CPAs and Consultants

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.

**FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT
YEARS ENDED JUNE 30, 2019 AND 2018**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Partnership of the Ozarks, Inc.
Springfield, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of **Community Partnership of the Ozarks, Inc.** (CPO), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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 and the standards applicable to the financial audits contained in *Government Auditing Standard*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 **Community Partnership of the Ozarks, Inc.**, as of June 30, 2019 and 2018, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining schedules for All CPO Program Services, State Partnership Contracts, and Programs Excluding State Partnership Contracts are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other 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 accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2019 on our consideration of CPO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 CPO'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 CPO's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "THE WHITLOCK CO., LLP". The signature is written in a cursive, slightly slanted style.

Springfield, Missouri
November 18, 2019

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.

STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30,	
	2019	2018
Current assets		
Cash and cash equivalents	\$ 423,375	\$ 89,671
Certificates of deposit	375,083	368,339
Grants receivable	438,757	251,783
Prepaid expenses	3,444	-
Other receivable	12,663	4,358
	1,253,322	714,151
Non-current assets		
Long-term investments	613,350	597,321
Fixed assets, net	1,430,111	722,597
	\$ 3,296,783	\$ 2,034,069
Total assets		

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 255,897	\$ 56,253
Accrued salaries	58,910	32,536
Accrued vacation	48,582	38,476
Other liabilities	-	27,160
Current portion of long-term debt	15,631	15,083
Deferred revenue	40,349	136,652
	419,369	306,160
Long-term debt, less current portion	332,030	347,661
Net assets -		
Without donor restriction		
Undesignated	343,240	359,355
Board designated	1,441,455	709,616
Total without donor restriction	1,784,695	1,068,971
With donor restriction	760,689	311,277
Total net assets	2,545,384	1,380,248
Total liabilities and net assets	\$ 3,296,783	\$ 2,034,069

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

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
Revenue and other support						
Federal and state grants and contracts	\$ 4,044,930	\$ 439,110	\$ 4,484,040	\$ 2,752,597	\$ 125,855	\$ 2,878,452
Program income	124,365	786,207	910,572	40,179	378,008	418,187
Miscellaneous income	593,180	39,494	632,674	500,997	37,146	538,143
Unrealized gain on designated quasi-endowments	13,416	-	13,416	22,557	-	22,557
Interest and dividends from designated quasi-endowments	7,947	-	7,947	7,377	-	7,377
Interest and dividends from investments	9,441	1,605	11,046	6,153	1,128	7,281
Transfers from (to) other grants	(18,026)	18,026	-	(6,800)	6,800	-
Net assets released from restrictions	<u>835,030</u>	<u>(835,030)</u>	<u>-</u>	<u>604,283</u>	<u>(604,283)</u>	<u>-</u>
	5,610,283	449,412	6,059,695	3,927,343	(55,346)	3,871,997
Expenses						
Program services	4,393,491	-	4,393,491	3,212,355	-	3,212,355
Support services	<u>501,068</u>	<u>-</u>	<u>501,068</u>	<u>560,096</u>	<u>-</u>	<u>560,096</u>
	4,894,559	-	4,894,559	3,772,451	-	3,772,451
Change in net assets	715,724	449,412	1,165,136	154,892	(55,346)	99,546
Net assets - beginning of period	<u>1,068,971</u>	<u>311,277</u>	<u>1,380,248</u>	<u>914,079</u>	<u>366,623</u>	<u>1,280,702</u>
Net assets - end of period	<u>\$ 1,784,695</u>	<u>\$ 760,689</u>	<u>\$ 2,545,384</u>	<u>\$ 1,068,971</u>	<u>\$ 311,277</u>	<u>\$ 1,380,248</u>

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

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Support Services	Totals (Memorandum Only)
Salaries and related expenses	\$ 2,248,568	\$ 207,137	\$ 2,455,705
Financial fee	-	129,149	129,149
Professional fees	74,196	16,546	90,742
Supplies and materials	529,588	22,743	552,331
Telephone	15,085	2,156	17,241
Occupancy	59,121	19,980	79,101
Insurance	19,802	2,690	22,492
Printing	14,409	3,755	18,164
Local travel	44,002	2,437	46,439
Trainings	109,469	6,079	115,548
Educational programming	15,462	14,397	29,859
Membership dues	10,113	11,234	21,347
Equipment maintenance	8,816	3,990	12,806
Public education	134,435	450	134,885
Indirect costs reimbursements	305,671	-	305,671
Contractual services	789,933	12,887	802,820
Miscellaneous expense	21	506	527
Total expenses before depreciation	4,378,691	456,136	4,834,827
Depreciation of fixed assets	14,800	44,932	59,732
Total expenses	\$ 4,393,491	\$ 501,068	\$ 4,894,559

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

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Program Services</u>	<u>Support Services</u>	<u>Totals (Memorandum Only)</u>
Salaries and related expenses	\$ 2,046,480	\$ 99,112	\$ 2,145,592
Financial fee	-	173,974	173,974
Professional fees	30,691	11,832	42,523
Supplies and materials	388,795	26,045	414,840
Telephone	8,210	2,305	10,515
Occupancy	7,063	65,638	72,701
Insurance	8,152	2,149	10,301
Printing	9,979	2,046	12,025
Local travel	34,578	1,048	35,626
Trainings	119,630	2,186	121,816
Educational programming	7,081	4,353	11,434
Membership dues	12,266	13,177	25,443
Equipment maintenance	8,405	5,383	13,788
Public education	102,697	35,631	138,328
Indirect costs reimbursements	219,848	-	219,848
Contractual services	189,297	81,189	270,486
Miscellaneous expense	<u>692</u>	<u>2,419</u>	<u>3,111</u>
Total expenses before depreciation	3,193,864	528,487	3,722,351
Depreciation of fixed assets	<u>18,491</u>	<u>31,609</u>	<u>50,100</u>
Total expenses	<u>\$ 3,212,355</u>	<u>\$ 560,096</u>	<u>\$ 3,772,451</u>

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

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.

STATEMENTS OF CASH FLOWS

	Years ended June 30,	
	2019	2018
Cash flows from operating activities		
Federal and state grants	\$ 5,111,334	\$ 3,419,224
Miscellaneous income	624,369	533,785
Interest and dividend income	18,993	14,658
Salaries and related expenditures	(2,442,298)	(1,623,115)
Other operating expenditures	<u>(2,187,009)</u>	<u>(2,171,242)</u>
Net cash provided by operating activities	<u>1,125,389</u>	<u>173,310</u>
Cash flows from investing activities		
Purchase of fixed assets	(767,246)	(129,421)
Purchase of investments	(58,461)	(64,273)
Sale of investments	<u>49,105</u>	<u>105,276</u>
Net cash used in investing activities	<u>(776,602)</u>	<u>(88,418)</u>
Cash flows from financing activities		
Principal payments on long-term debt	<u>(15,083)</u>	<u>(14,522)</u>
Net cash used in financing activities	<u>(15,083)</u>	<u>(14,522)</u>
Increase in cash and cash equivalents	333,704	70,370
Cash and cash equivalents at beginning of period	<u>89,671</u>	<u>19,301</u>
Cash and cash equivalents at end of period	<u><u>\$ 423,375</u></u>	<u><u>\$ 89,671</u></u>

(continued)

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.

STATEMENTS OF CASH FLOWS

(continued)

	Years ended June 30,	
	2019	2018
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	\$ 1,165,136	\$ 99,546
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	59,732	50,100
Unrealized gain on designated endowments	(13,416)	(22,557)
Decrease (increase) in		
Grants receivable	(186,974)	34,947
Prepaid expenses	(3,444)	3,744
Accounts receivable	(8,305)	(4,358)
Increase (decrease) in		
Accounts payable	199,644	(95,465)
Accrued salaries	26,374	(3,055)
Accrued vacations	10,106	(4,390)
Other liabilities	(27,160)	27,160
Deferred revenue	(96,303)	87,638
Net cash provided by operating activities	\$ 1,125,390	\$ 173,310

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

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

1. Summary of significant accounting policies

Nature of activities

Community Partnership of the Ozarks, Inc. (CPO) was incorporated on September 11, 1998 as an independently operated non-profit corporation whose mission is to facilitate and promote the building of resilient children, healthy families, and strong neighborhoods & communities through collaboration, programming, and resource development. CPO was formed from the merging of two organizations - Ozarks Fighting Back and the Community Task Force.

CPO's outcome-based services and programs cover a 21-county area in Southwest Missouri where they have taken the lead role in conducting gaps analysis regarding community needs and then developed effective collaborations, partnerships, and programming designed to address those needs. CPO focuses its efforts in four main areas – community and neighborhood development, early childhood and family development, substance misuse prevention and youth support, and affordable housing and homeless prevention to achieve the following seven core outcomes: Children, families and community members safe; children, families and community members health; young children ready to enter school; children succeeding in school; youth ready to enter productive adulthood; parents working; and strong and thriving neighborhoods.

CPO is funded primarily from federal and state grants and contracts, augmented with funding from the city, local foundations and civic organizations, the United Way and private donations. CPO is governed by a volunteer Board of Directors that includes no paid staff of the organization. Election of the board occurs annually upon nomination by a committee of the board.

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. Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional.

Financial statement presentation

CPO's financial statements are presented in accordance with Financial Accounting Standards *Codification Topic 958, "Not-for-Profit Entities."* Under *Topic 958*, the Organization reports information regarding its financial position and activities according to two classes of net assets: with donor restriction and without donor restriction. The classification of net assets into two categories is based on the existence or absence of donor-imposed restrictions, stipulations that specify a use for a contributed asset that is more specific than broad limits resulting from CPO's basic mission and environment in which it operates.

The FASB issued *ASU 2016-14 Presentation of Financial Statement for 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 CPO's liquidity, financial

performance, and cash flows. The new standard is effective for fiscal years beginning after December 15, 2017. CPO has implemented the new standard on their financial statements for fiscal year ending June 30, 2019.

Cash and cash equivalents

For purposes of the statement of cash flows, CPO 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 net asset without donor restriction 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 39.5 years for buildings, and 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.

Grants and contracts

Some of the more significant federal, state and local grants and contracts of CPO are:

- State Partnership Contract – including the following amendments:
 - *Capable Kids*
 - *Caring Communities*
 - *Educare*
 - *DYS – Community Mentoring*
 - *Foster Care Jobs Program*
 - *Infant Toddler Specialist Network*
- Missouri SPIRIT
- Every Child Promise
- Prevention Resource Center

Revenue earned from the above sources is recorded as support from federal and state grants and contracts in the net asset without donor restriction class when earned.

Functional expenses

CPO allocates its expenses on a functional basis among its various programs and support services and is committed to complying with award cost reduction standards. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. Various statistical basis allocate other expenses that are common to several functions.

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

CPO is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986.

CPO currently qualifies as a publicly supported organization by the IRS. For the years ended June 30, 2019 and 2018, CPO had no unrelated business activities.

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 CPO has taken that the organization is exempt from income taxes.

CPO's income tax filings are subject to audit by various taxing authorities. CPO's open tax audit periods are 2016 through 2019. In evaluating CPO's tax positions, interpretations and tax planning strategies are considered. CPO believes their estimates are appropriate based on current facts and circumstances.

Recent accounting pronouncements

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, 2018. The standard permits the use of either the retrospective or modified-retrospective method. CPO is evaluating the effect that ASU 2014-09 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, 2020. CPO is currently evaluating the effect that implementation of the new standard 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 after December 15, 2021 and is expected to increase the allowance upon adoption. CPO 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. Long-term investments

Fair market value for investments held with Community Foundation were \$613,350 and 597,321 at June 30, 2019 and 2018, respectively. Cost basis for investments held with Community Foundation were \$528,521 and \$526,242 at June 30, 2019 and 2018, respectively. A portion of the funds held by the Community Foundation, Inc. have been designated by the board as quasi-endowment funds and are carried at market value based on information provided by Community Foundation, Inc.

During the year ended June 30, 2019 and 2018, the unrealized gains on investments held by the Community Foundation, Inc. totaled \$13,416 and \$22,557, respectively.

During the year ended June 30, 2019 and 2018, interest and dividends on all investments listed above and the operating account totaled \$18,993 and \$14,658, respectively.

3. Grants receivable

The Organization's primary source of revenue comes from grants that are awarded based on various federal and state contracts. The amounts receivable on grants and contracts as of June 30 are as follows:

	<u>2019</u>	<u>2018</u>
Grants receivable	<u>\$ 438,757</u>	<u>\$ 251,783</u>

4. 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. Fixed asset cost, as well as accumulated depreciation at June 30, 2019 and 2018, is as listed below:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 138,216	\$ 121,605
Building & improvements	1,485,552	734,916
Computer software	<u>1,800</u>	<u>1,800</u>
Total fixed assets at cost	1,625,568	858,321
Less accumulated depreciation	<u>(195,457)</u>	<u>(135,724)</u>
Total fixed assets, net	<u>\$ 1,430,111</u>	<u>\$ 722,597</u>

Additions to each asset class are described below:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 16,612	\$ 14,546
Building & improvements	<u>750,635</u>	<u>114,875</u>
Total additions	<u>\$ 767,247</u>	<u>\$ 129,421</u>

Depreciation expense for the years ended June 30, 2019 and 2018 was \$59,732 and \$50,100, respectively.

5. Long-term debt

At June 30, long-term debt of the organization consisted of the following:

	<u>2019</u>	<u>2018</u>
Note payable to Springfield First Community Bank, originated September 29, 2015, in the amount of \$400,000 at 3.75% for 240 months. The note is payable in monthly payments of \$2,385, which began on November 5, 2015. A single balloon payment for the remaining principal is due October 5, 2020. This note is secured by real estate located at 330 N. Jefferson, Springfield, MO.	\$ 347,661	\$ 362,744
Less current portion	<u>(15,631)</u>	<u>(15,083)</u>
Total long-term debt, less current portion	<u>\$ 332,030</u>	<u>\$ 347,661</u>

Principal payments due on long-term debt for the years ended June 30, are as follows:

Year Ending June 30,	
<u>2020</u>	\$ 15,631
2021	332,030
2022	-
2023	-
2024	-

6. Net Assets

Net assets without donor restriction can be classified as undesignated or board designated. Board designated net assets without donor restriction are those assets which have been designated by the CPO board for use in specific projects.

Net assets with donor restriction 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 net assets with donor restriction class until expended.

Net assets without donor restriction are available for the following purposes at June 30:

<u>Net assets without donor restriction</u>	<u>2019</u>	<u>2018</u>
Undesignated	\$ 343,240	\$ 359,355
Board designated	<u>1,441,455</u>	<u>709,616</u>
	<u>\$ 1,784,695</u>	<u>\$ 1,068,971</u>

7. Retirement plan

CPO participates in a defined contribution retirement plan covering all employees who have completed one year of service. This plan is in accordance with Internal Revenue Code Sec. 403(b). For employees meeting eligibility requirements, CPO contributes 10% of each employee's salary to a fund administered by Mutual of America. The employer contribution for the year ended June 30, 2019 and 2018 was \$199,477 and \$153,123, respectively.

8. Concentration of credit risk

CPO maintains cash balances with United Way of the Ozarks Inc., an affiliated entity, in non-interest bearing transaction accounts at financial institutions located in the Springfield, Missouri area. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation and are subject to the \$250,000 limitation. The account balance is held in a sweep account where funds are swept each night into accounts where funds are secured by government securities.

9. Leases

On May 2, 2013, CPO entered into a lease agreement with the City of Springfield, for the premises at 300 East Central, Springfield, MO. The premises are leased for \$10 payable in advance of the lease for the term of one year for the purpose of the operation of the Springfield Affordable Housing Center.

10. Contingencies

CPO receives a large portion of their funding for projects through various federal and state grants and contracts for specific purposes that are subject to audit by grantor agencies. Compliance audits conducted by those agencies in the future could lead to disallowed costs relating to the current period; however, CPO expects such amounts, if any, to be immaterial.

11. Fair value of financial instruments

Generally Accepted Accounting Principles (GAAP) 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. GAAP establishes a fair value hierarchy that prioritizes the inputs used in valuation techniques 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 year ended June 30, 2019 and 2018:

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

		June 30, 2019			
		Fair Value			Carrying
		Level 1	Level 2	Level 3	Amount
<u>Financial Assets</u>					
<u>Investments</u>					
Community Foundation	\$	-	\$ 613,350	\$ -	\$ 613,350
	\$	-	\$ 613,350	\$ -	\$ 613,350
		June 30, 2018			
		Fair Value			Carrying
		Level 1	Level 2	Level 3	Amount
<u>Financial Assets</u>					
<u>Investments</u>					
Community Foundation	\$	-	\$ 597,321	\$ -	\$ 597,321
	\$	-	\$ 597,321	\$ -	\$ 597,321

13. Related party transactions

During the years ended June 30, 2019 and 2018, CPO contracted for services with individuals or businesses with a relationship to the organization as follows:

Leased employees

CPO leases its whole workforce from the United Way of the Ozarks, Inc., a not-for-profit corporation. CPO paid \$2,455,705 and \$2,145,592 for employee labor personnel services for the years ending June 30, 2019 and 2018, respectively, and has included these expenses with salaries and related expenses. These employees are under the direct supervision of the CPO President/CEO who makes all hiring, firing and disciplinary decisions and all activities of these employees accrue to the benefit of CPO.

Indirect relationship

Leslie Peck, a member of the CPO Board of Directors, has an ownership interest in an insurance agency that has written employee benefits policies for CPO with premiums totaling \$351,422 and \$313,864 for the years ending June 30, 2019 and 2018, respectively. The amount reflects premiums paid to insurance carriers, not commission paid to interested party.

Bridget Dierks, a member of the CPO Board of Directors, is the Grants Program Officer of Community Foundation of the Ozarks where CPO has endowments totaling \$458,062 and \$441,124 at June 30, 2019 and 2018, respectively. CPO also has long-term investments totaling \$155,288 and \$156,197 at June 30, 2019 and 2018, respectively.

Jason Gage, a member of the CPO Board of Directors, is employed by the City of Springfield as City Manager with whom CPO has contracts and sub awards. Expenses for the year ended June 30, 2019 and 2018 were \$308,620 and \$326,670, respectively.

Carl Rosenkranz, a member of the CPO Board of Directors, is employed by OACAC as Executive Director with whom CPO has a contract for the CLASS Project. Expenses for the year ended June 30, 2019 and 2018 were \$6,480 and \$6,531, respectively.

John Jungmann, a member of the CPO Board of Directors, is employed by Springfield Public Schools as Superintendent with whom CPO has a contract for Farm to School. Expenses for the year ended June 30, 2019 and 2018 were \$11,293 and \$23,094, respectively.

Scott Meier, a member of the CPO Board of Directors, is employed by Mid-West Family Broadcasting as President with whom CPO has a vendor relationship. The amount paid to Mid-West Family Broadcasting for the year ended June 30, 2019 and 2018 were \$16,685 and \$29,702, respectively.

14. Liquidity and availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise of the following:

	<u>2019</u>
Financial assets, as of June 30:	
Cash and cash equivalents	\$ 423,375
Certificates of deposit	375,083
Grants receivable	<u>438,757</u>
	<u>1,237,215</u>
Less assets unavailable for general expenditure:	
Accounts payable	255,897
Accrued salaries	58,910
Net assets with donor restriction	<u>760,689</u>
	<u>1,075,496</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 161,719</u>

CPO's financial assets consist of grant and program income used to support the community. As such, most of the financial assets on hand are reserved for use in various programs. CPO has maintained a balance of funds for their own operations as well.

15. Subsequent events

In preparing these financial statements, CPO has evaluated events and transactions for potential recognition or disclosure through November 18, 2019, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.
COMBINING SCHEDULE - ALL CPO PROGRAM SERVICES
FOR THE YEAR ENDED JUNE 30, 2019

	Total state partnership contract	Total federal partnership contract	Total all other programs	Total all program services
Salaries and related expenses	\$ 958,101	\$ 461,711	\$ 828,756	\$ 2,248,568
Professional fees	12,063	5,510	56,623	74,196
Program supplies and materials	133,490	107,984	288,114	529,588
Telephone	4,403	3,294	7,388	15,085
Occupancy	38,894	19,536	691	59,121
Insurance	2,847	1,813	15,142	19,802
Printing	1,995	6,336	6,078	14,409
Local travel	23,782	13,427	6,793	44,002
Trainings	6,659	41,084	61,726	109,469
Educational programming	1,091	5,414	8,957	15,462
Membership dues	5,447	3,586	1,080	10,113
Equipment maintenance	3,642	1,712	3,462	8,816
Public education	2,460	51,504	80,471	134,435
Indirect cost reimbursement	153,250	141,620	10,801	305,671
Contractual services	521,063	38,508	230,362	789,933
Miscellaneous expense	-	-	21	21
Total expenses before transfers to other funds	<u>1,869,187</u>	<u>903,039</u>	<u>1,606,465</u>	<u>4,378,691</u>
Transfers for equipment purchases	<u>5,907</u>	<u>3,000</u>	<u>5,893</u>	<u>14,800</u>
Total expense and transfers	<u><u>\$ 1,875,094</u></u>	<u><u>\$ 906,039</u></u>	<u><u>\$ 1,612,358</u></u>	<u><u>\$ 4,393,491</u></u>

See Independent Auditor's Report.

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.
COMBINING SCHEDULE - STATE PARTNERSHIP CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2019

	Adult High School Child Care Program	Capable Kids	Caring Communities	DYS - Community Mentoring	Families & Schools Educare	Together (FAST)	Home Visitation	First Birthday Project: Safe Sleep, Safe Baby	Foster Care Jobs Program	Total state partnership contract
Salaries and related expenses	\$ -	\$ 88,051	\$ 476,301	\$ 84,937	\$ 243,380	\$ -	\$ 20,498	\$ 44,934	\$ -	\$ 958,101
Professional fees	-	1,222	6,074	1,122	3,018	-	561	66	-	12,063
Program supplies and materials	-	10,432	28,143	7,011	24,349	7,858	4,710	50,987	-	133,490
Telephone	-	270	1,549	550	1,081	-	283	670	-	4,403
Occupancy	-	6,559	11,944	1,907	16,200	-	1,281	1,003	-	38,894
Insurance	-	257	1,736	-	724	-	130	-	-	2,847
Printing	-	100	949	306	600	-	40	-	-	1,995
Local travel	-	2,269	2,094	2,238	12,166	-	899	4,116	-	23,782
Trainings	-	293	3,224	684	2,007	-	451	-	-	6,659
Educational programming	-	11	931	-	139	-	-	10	-	1,091
Membership dues	-	3,575	403	318	1,109	-	33	9	-	5,447
Equipment maintenance	-	88	2,067	-	1,465	-	22	-	-	3,642
Public education	-	175	2,005	70	210	-	-	-	-	2,460
Indirect cost reimbursement	3,358	11,340	39,720	10,010	31,015	471	2,329	10,260	44,747	153,250
Contractual services	<u>67,328</u>	<u>358</u>	<u>2,889</u>	<u>-</u>	<u>2,805</u>	<u>-</u>	<u>210</u>	<u>-</u>	<u>447,473</u>	<u>521,063</u>
Total expenses before transfers to other funds	70,686	125,000	580,029	109,153	340,268	8,329	31,447	112,055	492,220	1,869,187
Transfers for equipment purchases	<u>-</u>	<u>-</u>	<u>3,140</u>	<u>967</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>800</u>	<u>-</u>	<u>5,907</u>
Total expense and transfers	<u>\$ 70,686</u>	<u>\$ 125,000</u>	<u>\$ 583,169</u>	<u>\$ 110,120</u>	<u>\$ 341,268</u>	<u>\$ 8,329</u>	<u>\$ 31,447</u>	<u>\$ 112,855</u>	<u>\$ 492,220</u>	<u>\$ 1,875,094</u>

See Independent Auditor's Report.

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.
COMBINING SCHEDULE - PROGRAMS EXCLUDING STATE PARTNERSHIP CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2019

	CARA Local Drug Crises	C.A.S.H (Come & See How) Financial Literacy (CDBG)	Mental Health Awareness Training	Prevention Resource Center	S.P.I.R.I.T. Program	VITA (Volunteer Income Tax Assistance)	Youth Mental Health First Aid	Total federal partnership contract
Salaries and related expenses	\$ 11,813	\$ 13,459	\$ 24,171	\$ 292,714	\$ 84,157	\$ 17,841	\$ 17,556	\$ 461,711
Professional fees	-	-	344	3,689	942	432	103	5,510
Program supplies and materials	13,084	-	7,589	29,013	21,090	3,679	33,529	107,984
Telephone	-	-	173	1,775	686	602	58	3,294
Occupancy	-	-	1,027	14,564	3,475	-	470	19,536
Insurance	-	-	186	1,093	457	-	77	1,813
Printing	-	-	-	5,446	890	-	-	6,336
Local travel	16	-	751	10,033	1,616	963	48	13,427
Trainings	-	-	30,295	8,965	1,271	-	553	41,084
Educational programming	-	-	7	3,022	2,385	-	-	5,414
Membership dues	-	-	409	3,046	57	74	-	3,586
Equipment maintenance	202	-	204	1,247	11	22	26	1,712
Public education	8,000	-	3,500	7,035	20,309	4,000	8,660	51,504
Indirect cost reimbursement	3,700	-	6,046	38,920	85,342	3,011	4,601	141,620
Contractual services	12,435	-	6,926	5,740	-	2,500	10,907	38,508
Total expenses before transfers to other funds	49,250	13,459	81,628	426,302	222,688	33,124	76,588	903,039
Transfers for equipment purchases	700	-	-	2,000	300	-	-	3,000
Total expense and transfers	\$ 49,950	\$ 13,459	\$ 81,628	\$ 428,302	\$ 222,988	\$ 33,124	\$ 76,588	\$ 906,039

See Independent Auditor's Report.