



THE WHITLOCK CO.

CPAs and Consultants

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.

**FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT
YEARS ENDED JUNE 30, 2021 AND 2020**



INDEPENDENT AUDITOR'S REPORT

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

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, 2021 and 2020, 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 Standards*, 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, 2021 and 2020, 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 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 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 3, 2021 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.

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 3, 2021

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.

STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30,	
	2021	2020
Current assets		
Cash and cash equivalents	\$ 39,434	\$ 418,299
Short-term investments	493,366	488,231
Grants receivable	779,790	506,961
Prepaid expenses	7,513	7,700
Other receivable	6,374	5,000
	<u>1,326,477</u>	<u>1,426,191</u>
Non-current assets		
Long-term investments	585,764	466,562
Fixed assets, net	<u>3,950,181</u>	<u>3,756,941</u>
Total assets	<u>\$ 5,862,422</u>	<u>\$ 5,649,694</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 114,860	\$ 481,103
Accrued salaries	51,893	44,805
Accrued vacation	63,676	63,180
Line of credit - current	-	349,900
Current portion of long-term debt	17,137	332,030
Deferred revenue	<u>321,446</u>	<u>96,867</u>
	<u>569,012</u>	<u>1,367,885</u>
Non-current liabilities		
Long-term debt, less current portion	301,602	-
Line of credit - non-current	654,743	-
SBA Paycheck Protection Program	-	<u>373,418</u>
Long-term debt, less current portion	<u>956,345</u>	<u>373,418</u>
Net assets -		
Without donor restriction		
Undesignated	451,933	336,252
Board designated	<u>3,459,625</u>	<u>3,161,090</u>
Total without donor restriction	<u>3,911,558</u>	<u>3,497,342</u>
With donor restriction	<u>425,507</u>	<u>411,049</u>
Total net assets	<u>4,337,065</u>	<u>3,908,391</u>
Total liabilities and net assets	<u>\$ 5,862,422</u>	<u>\$ 5,649,694</u>

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, 2021 AND 2020

	2021			2020		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
Revenue and other support						
Federal and state grants and contracts	\$ 728,147	\$ 4,917,079	\$ 5,645,226	\$ 363,358	\$ 5,459,996	\$ 5,823,354
Program income	25,015	963,294	988,309	407,750	270,874	678,624
Contributions	304,732	167,738	472,470	270,501	126,659	397,160
Miscellaneous income	93,838	-	93,838	91,819	12,500	104,319
Unrealized gain (loss) on designated quasi-endowments	78,189	-	78,189	(73,859)	-	(73,859)
Interest and dividends from designated quasi-endowments	46,152	-	46,152	64,739	-	64,739
Interest and dividends from investments	5,982	136	6,118	9,556	556	10,112
Transfers from (to) other grants	292,938	(292,938)	-	204,186	(204,186)	-
Net assets released from restrictions	<u>5,740,851</u>	<u>(5,740,851)</u>	<u>-</u>	<u>6,016,040</u>	<u>(6,016,040)</u>	<u>-</u>
	7,315,844	14,458	7,330,302	7,354,090	(349,641)	7,004,449
Expenses						
Program services	6,346,526	-	6,346,526	5,062,216	-	5,062,216
Support services	<u>555,102</u>	<u>-</u>	<u>555,102</u>	<u>579,226</u>	<u>-</u>	<u>579,226</u>
	6,901,628	-	6,901,628	5,641,442	-	5,641,442
Change in net assets	414,216	14,458	428,674	1,712,648	(349,641)	1,363,007
Net assets - beginning of period	<u>3,497,342</u>	<u>411,049</u>	<u>3,908,391</u>	<u>1,784,694</u>	<u>760,690</u>	<u>2,545,384</u>
Net assets - end of period	<u>\$ 3,911,558</u>	<u>\$ 425,507</u>	<u>\$ 4,337,065</u>	<u>\$ 3,497,342</u>	<u>\$ 411,049</u>	<u>\$ 3,908,391</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, 2021

	Program Services	Management and General Expenses	Fundraising	Total Support Services	Totals (Memorandum Only)
Salaries and related expenses	\$ 2,571,515	\$ 165,327	\$ 79,162	\$ 244,489	\$ 2,816,004
Financial fees	-	177,173	-	177,173	177,173
Professional fees	101,508	13,045	6,270	19,315	120,823
Supplies and materials	559,952	10,619	10,895	21,514	581,466
Telephone	28,102	2,225	1,065	3,290	31,392
Occupancy	127,848	7,053	4,876	11,929	139,777
Insurance	10,648	427	204	631	11,279
Interest	34,405	-	-	-	34,405
Printing	11,285	2,687	387	3,074	14,359
Local travel	32,261	386	185	571	32,832
Trainings	103,447	10,204	-	10,204	113,651
Educational programming	4,827	1,498	631	2,129	6,956
Membership dues	34,704	13,320	2,995	16,315	51,019
Equipment maintenance	1,373	1,403	-	1,403	2,776
Outreach	1,778,108	-	-	-	1,778,108
Public education	109,060	1,034	1,055	2,089	111,149
Indirect costs reimbursements	322,898	-	-	-	322,898
Contractual services	345,112	4,697	5,514	10,211	355,323
Miscellaneous expense	17,584	338	89	427	18,011
Total expenses before depreciation	6,194,637	411,436	113,328	524,764	6,719,401
Depreciation of fixed assets	151,889	30,338	-	30,338	182,227
Total expenses	\$ 6,346,526	\$ 441,774	\$ 113,328	\$ 555,102	\$ 6,901,628

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, 2020

	Program Services	Management and General Expenses	Fundraising Expenses	Total Support Services	Totals (Memorandum Only)
Salaries and related expenses	\$ 2,364,088	\$ 170,928	\$ 81,749	\$ 252,677	\$ 2,616,765
Financial fees	-	126,762	-	126,762	126,762
Professional fees	142,289	18,817	8,999	27,816	170,105
Supplies and materials	684,189	11,480	10,212	21,692	705,881
Telephone	21,579	3,986	1,907	5,893	27,472
Occupancy	76,464	19,643	9,394	29,037	105,501
Insurance	19,232	1,138	544	1,682	20,914
Interest	-	13,986	-	13,986	13,986
Printing	20,646	4,743	587	5,330	25,976
Local travel	41,234	1,328	635	1,963	43,197
Trainings	72,041	4,055	-	4,055	76,096
Educational programming	3,231	10,069	2,650	12,719	15,950
Membership dues	44,427	15,419	1,995	17,414	61,841
Equipment maintenance	8,883	2,725	-	2,725	11,608
Outreach	291,492	-	-	-	291,492
Public education	56,933	2,917	231	3,148	60,081
Indirect costs reimbursements	363,308	-	-	-	363,308
Contractual services	814,973	6,842	1,992	8,834	823,807
Miscellaneous expense	5,406	236	280	516	5,922
Total expenses before depreciation	5,030,415	415,074	121,175	536,249	5,566,664
Depreciation of fixed assets	31,801	42,977	-	42,977	74,778
Total expenses	\$ 5,062,216	\$ 458,051	\$ 121,175	\$ 579,226	\$ 5,641,442

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,	
	2021	2020
Cash flows from operating activities		
Federal and state grants	\$ 6,211,867	\$ 6,003,453
Miscellaneous income	564,934	872,499
Interest and dividend income	52,270	74,851
Salaries and related expenditures	(4,085,437)	(3,028,933)
Other operating expenditures	(2,992,436)	(2,316,288)
	(248,802)	1,605,582
Net cash provided by (used in) operating activities		
Cash flows from investing activities		
Purchase of fixed assets	(375,467)	(2,401,608)
Purchase of investments	(82,975)	(76,746)
Sale of investments	36,827	36,527
	(421,615)	(2,441,827)
Net cash used in investing activities		
Cash flows from financing activities		
Issuance of long-term debt	1,129,885	846,900
Principal payments on long-term debt	(838,333)	(15,731)
	291,552	831,169
Net cash provided by financing activities		
Decrease in cash and cash equivalents	(378,865)	(5,076)
Cash and cash equivalents at beginning of period	418,299	423,375
Cash and cash equivalents at end of period	\$ 39,434	\$ 418,299
Supplemental cash flows information		
SBA Paycheck Protection Program loan forgiveness	\$ 373,418	\$ 123,482

(continued)

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.

STATEMENTS OF CASH FLOWS

(continued)

	Years ended June 30,	
	2021	2020
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	\$ 428,674	\$ 1,363,007
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	182,227	74,778
Forgiveness of SBA Payroll Protection Program	(373,418)	(123,482)
Unrealized gain on designated endowments	(78,189)	73,859
Decrease (increase) in		
Grants receivable	(272,829)	(68,204)
Prepaid expenses	187	(4,256)
Accounts receivable	(1,374)	7,663
Increase (decrease) in		
Accounts payable	(366,243)	225,206
Accrued salaries	7,088	(14,105)
Accrued vacations	496	14,598
Deferred revenue	224,579	56,518
Net cash provided by (used in) operating activities	\$ (248,802)	\$ 1,605,582

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

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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 of Springfield, 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.

Adoption of new accounting standards

On July 1, 2020, CPO adopted the new accounting standard ASU 2014-09, *Revenue from Contracts with Customers*, 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. CPO recognized the cumulative effect of initially applying the new revenue standard, which required no adjustment to the opening balance of retained earnings.

Reclassification

Certain accounts relating to prior year have been reclassified to conform with the current year's presentation. Such reclassification had no effect on net income.

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 \$5,000 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*
 - *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.

Revenue

CPO accounts for grant revenue as either point in time revenue or over time revenue depending on the structure of the grant. Point in time grant revenue is recorded as revenue upon receipt of the grant. Over time grant revenue is recognized in a similar manner as a contract; the organization is reimbursed at the end of the month for expenses related to the grant income.

CPO recognizes contributions, fundraiser revenue and restricted program revenue upon receipt of the donation.

Unrealized gains and losses from long term investments are recognized as over time revenue due to the nature of the investments. Realized gains and losses from long term investments are recognized at the point of sale. Gains and losses on the disposal of fixed assets are recognized upon the sale or disposal of the asset.

See Note 2 for more information.

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 bases 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, 2021 and 2020, CPO had no unrelated business activities.

Uncertainty in income taxes

Generally Accepted Accounting Principles (GAAP) 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 2018 through 2020. 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 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, 2021. 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, 2022 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.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. This ASU is effective retrospectively for annual reporting periods beginning after June 15, 2021.

2. Revenue Recognition

CPO accounts for a contract when both parties have approved the contract and are committed to perform their obligations, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. See Note 1 for the adoption of new accounting standards.

The following table disaggregates revenue for the year ended June 30:

	<u>2021</u>
Point in time revenue	
Contributions	\$ 959,023
Miscellaneous revenue	93,838
Realized gains on investments	<u>52,270</u>
Total point in time revenue	<u>1,105,131</u>
Over time revenue	
Grant revenue	6,146,982
Unrealized gains on investments	<u>78,189</u>
Total over time revenue	<u>6,225,171</u>
	<u>\$ 7,330,302</u>

3. Investments

Investments at June 30, 2021 and 2020 consist of the following:

	June 30, 2021		
	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>
Certificates of Deposit			
Springfield First Community Bank	<u>\$ 388,138</u>	0.75%	01/24/22
Total Certificates of Deposit	388,138		
Community Foundation - short-term	105,228		
Community Foundation - long-term	<u>585,764</u>		
Total investments	<u>\$ 1,079,130</u>		
	June 30, 2020		
	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>
Certificates of Deposit			
Springfield First Community Bank	<u>\$ 382,808</u>	2.00%	12/24/20
Total Certificates of Deposit	382,808		
Community Foundation - short-term	105,423		
Community Foundation - long-term	<u>466,562</u>		
Total investments	<u>\$ 954,793</u>		

Fair market value for long-term investments held with Community Foundation were \$585,764 and \$466,562 at June 30, 2021 and 2020, respectively. Cost basis for long-term investments held with Community Foundation were \$601,833 and \$561,015 at June 30, 2021 and 2020, 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, 2021 and 2020, the unrealized gains (losses) on investments held by the Community Foundation, Inc. totaled \$78,189 and (\$73,859), respectively.

During the year ended June 30, 2021 and 2020, interest and dividends on all investments listed above and the operating account totaled \$52,270 and \$74,851, respectively.

4. 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>2021</u>	<u>2020</u>
Grants receivable	<u>\$ 779,790</u>	<u>\$ 506,961</u>

5. 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, 2021 and 2020, is as listed below:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 353,054	\$ 270,827
Building & improvements	4,047,788	3,754,548
Computer software	<u>1,800</u>	<u>1,800</u>
Total fixed assets at cost	4,402,642	4,027,175
Less accumulated depreciation	<u>(452,461)</u>	<u>(270,234)</u>
Total fixed assets, net	<u>\$ 3,950,181</u>	<u>\$ 3,756,941</u>

Additions to each asset class are described below:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 15,298	\$ 132,611
Building & improvements	<u>360,169</u>	<u>2,268,996</u>
Total additions	<u>\$ 375,467</u>	<u>\$ 2,401,607</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$182,227 and \$74,778, respectively.

6. Line of credit

Line of credit payable at June 30 consists of the following:

	<u>2021</u>	<u>2020</u>
\$800,000 line of credit to Central Bank of the Ozarks, secured by real property, at an interest rate of 3.25%, matures September 11, 2022	\$ 654,743	\$ -
\$350,000 unsecured line of credit to Springfield First Community Bank at an interest rate of 3.00%, matures November 5, 2020	<u>-</u>	<u>349,900</u>
Total line of credit	<u>\$ 654,743</u>	<u>\$ 349,900</u>

7. Long-term debt

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

	<u>2021</u>	<u>2020</u>
Note payable to Central Bank of the Ozarks, secured by real property, payable in monthly installments of \$2,400, including interest at 3.75%. Matures October 8, 2025.	\$ 318,739	\$ -
Note payable to Springfield First Community Bank, secured by real property, payable in monthly installments on \$2,385, including interest at 3.75%. Matures October 5, 2020.	-	332,030
Less current portion	<u>(17,137)</u>	<u>(332,030)</u>
Total long-term debt, less current portion	<u>\$ 301,602</u>	<u>\$ -</u>

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

Year Ending June 30,	
<u>2022</u>	\$ 17,137
2023	17,791
2024	18,470
2025	19,174
2026	246,167

8. SBA Paycheck Protection Program

The SBA Paycheck Protection Program at June 30 consists of the following:

	<u>2021</u>	<u>2020</u>
Paycheck Protection Program note payable to Central Bank at an interest rate of 1.00%, due in one installment in April 2022	\$ -	\$ 496,900
Less: loan funds recognized	<u>-</u>	<u>123,482</u>
Total SBA Paycheck Protection Program	<u>\$ -</u>	<u>\$ 373,418</u>

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on payroll. The Small Business Administration will forgive the loan if all employee retention criteria are met and the funds are used for eligible expenses. On May 4, 2021, CPO received a notice of forgiveness from the Small Business Administration.

9. 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>2021</u>	<u>2020</u>
Undesignated	\$ 451,933	\$ 336,252
Board designated	<u>3,459,625</u>	<u>3,161,090</u>
	<u>\$ 3,911,558</u>	<u>\$ 3,497,342</u>

10. 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, 2021 and 2020 was \$214,876 and \$213,862, respectively.

11. 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.

12. 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. On July 1, 2020, the operation of the Springfield Affordable Housing Center moved from 300 East Central to the O'Reilly Center for Hope.

13. 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.

14. Fair value of financial instruments

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, 2021 and 2020:

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

		June 30, 2021			
		Fair Value			Carrying
		Level 1	Level 2	Level 3	Amount
<u>Financial Assets</u>					
<u>Investments</u>					
Community Foundation	\$	-	\$ 690,992	\$	-
Certificates of deposit		388,138	-		-
	\$	<u>388,138</u>	<u>\$ 690,992</u>	<u>\$</u>	<u>-</u>
					<u>\$ 1,079,130</u>
		June 30, 2020			
		Fair Value			Carrying
		Level 1	Level 2	Level 3	Amount
<u>Financial Assets</u>					
<u>Investments</u>					
Community Foundation	\$	-	\$ 571,985	\$	-
Certificates of deposit		382,808	-		-
	\$	<u>382,808</u>	<u>\$ 571,985</u>	<u>\$</u>	<u>-</u>
					<u>\$ 954,793</u>

15. Related party transactions

During the years ended June 30, 2021 and 2020, 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 \$2,816,004 and \$2,616,765 for employee labor personnel services for the years ending June 30, 2021 and 2020, 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 \$211,340 and \$207,131 for the years ending June 30, 2021 and 2020, 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 \$563,649 and \$444,511 at June 30, 2021 and 2020, respectively. CPO also has long-term investments totaling \$127,342 and \$127,474 at June 30, 2021 and 2020, 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, 2021 and 2020 were \$601,769 and \$359,841, respectively.

Shelley Evans, a member of the CPO Board of Directors, is employed as Senior Vice President and Commercial Relationship Manager at Guaranty Bank, with whom CPO has a checking account totaling \$24,614 and \$27,287 as of June 30, 2021 and 2020, respectively.

Harold Bengsh, a member of the CPO Board of Directors, serves as Commissioner of District 1 of the Greene County Commission, with whom CPO has grants and contracts. Expenses for the year ended June 30, 2021 were \$878,267.

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, 2021 and 2020 were \$6,663 and \$8,137, 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, 2021 and 2020 were \$12,866 and \$13,247, respectively.

Brad Erwin, a member of the CPO Board of Directors, is employed by Paragon Architecture as President with whom CPO has a vendor relationship. The amount paid to Paragon Architecture for the year ended June 30, 2021 and 2020 was \$0 and \$78,500, respectively.

Brian McDonough, a member of the CPO Board of Directors, is employed by KY3, Inc. as President/General Manager with whom CPO has a vendor relationship. The amount paid to KY3, Inc. for the year ended June 30, 2021 and 2020 was \$4,209 and \$9,999.

Joselyn Baldner, a member of the CPO Board of Directors, is employed by Central Bank of the Ozarks as President and CEO where CPO has an SBA PPP Loan totaling \$0 and \$496,900 at June 30, 2021 and 2020, respectively. CPO also has a checking account totaling \$0 and \$373,418 at June 30, 2021 and 2020, respectively. CPO has a line of credit totaling \$800,000. See Note 6 for more information on this line of credit.

Other

CPO is one of the partner organizations of United Way of the Ozarks. For the years ended June 30, 2021 and 2020, United Way allocated \$86,198 to CPO. CPO pays United Way for accounting fees, which amounted to \$177,173 and \$126,762 for the years ended June 30, 2021 and 2020.

16. 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 at June 30:

	<u>2021</u>	<u>2020</u>
Financial assets, as of June 30:		
Cash and cash equivalents	\$ 39,434	\$ 418,299
Certificates of deposit	493,366	488,231
Grants receivable	<u>779,790</u>	<u>506,961</u>
	<u>1,312,590</u>	<u>1,413,491</u>
Less those unavailable for general expenditure:		
Accounts payable	114,860	481,103
Accrued salaries	51,893	44,805
Net assets with donor restriction	<u>425,507</u>	<u>411,049</u>
	<u>592,260</u>	<u>936,957</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 720,330</u>	<u>\$ 476,534</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.

17. Subsequent events

In preparing these financial statements, CPO has evaluated events and transactions for potential recognition or disclosure through November 3, 2021, 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, 2021

	<u>Total state partnership contract</u>	<u>Total federal partnership contract</u>	<u>Total all other programs</u>	<u>Total all program services</u>
Salaries and related expenses	\$ 841,152	\$ 807,683	\$ 922,680	\$2,571,515
Professional fees	24,385	27,248	49,875	101,508
Program supplies and materials	209,474	153,126	197,352	559,952
Telephone	10,691	5,205	12,206	28,102
Occupancy	60,500	29,639	37,709	127,848
Insurance	2,716	3,094	4,838	10,648
Interest	-	-	34,405	34,405
Printing	2,876	2,836	5,573	11,285
Local travel	13,562	13,955	4,744	32,261
Trainings	47,791	34,178	21,478	103,447
Educational programming	1,662	2,568	597	4,827
Membership dues	8,797	13,639	12,268	34,704
Equipment maintenance	1,098	166	109	1,373
Outreach	50,350	931,235	796,523	1,778,108
Public education	-	102,907	6,153	109,060
Indirect cost reimbursement	109,646	101,245	112,007	322,898
Contractual services	9,087	126,492	209,533	345,112
Miscellaneous expense	<u>-</u>	<u>-</u>	<u>17,584</u>	<u>17,584</u>
Total expenses before transfers to other funds	1,393,787	2,355,216	2,445,634	6,194,637
Transfers for equipment purchases	<u>16,959</u>	<u>87,977</u>	<u>11,201</u>	<u>116,137</u>
Total expenses and transfers	<u>\$ 1,410,746</u>	<u>\$ 2,443,193</u>	<u>\$ 2,456,835</u>	<u>\$6,310,774</u>

See Independent Auditor's Report.

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.
COMBINING SCHEDULE - STATE PARTNERSHIP CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2021

	Capable Kids	Caring Communities	DYS - Community Mentoring	Educare	Infant Toddler Specialist Network	Total state partnership contract
Salaries and related expenses	\$ 62,316	\$ 356,180	\$ 84,009	\$ 196,822	\$ 141,825	\$ 841,152
Professional fees	1,104	15,080	1,529	3,027	3,645	24,385
Program supplies and materials	9,196	61,506	7,380	45,967	85,425	209,474
Telephone	107	8,019	385	1,937	243	10,691
Occupancy	6,916	34,748	2,197	10,040	6,599	60,500
Insurance	161	1,306	182	548	519	2,716
Printing	-	1,229	602	443	602	2,876
Local travel	1,400	1,134	711	8,412	1,905	13,562
Trainings	-	816	80	2,492	44,403	47,791
Educational programming	-	666	-	726	270	1,662
Membership dues	1,844	2,482	739	1,702	2,030	8,797
Equipment maintenance	8	917	-	161	12	1,098
Outreach	-	50,350	-	-	-	50,350
Public education	-	-	-	-	-	-
Indirect cost reimbursement	8,523	40,822	9,828	27,328	23,145	109,646
Contractual services	2,175	6,912	-	-	-	9,087
Total expenses before transfers to other funds	93,750	582,167	107,642	299,605	310,623	1,393,787
Transfers for equipment purchases	-	1,000	2,478	11,651	1,830	16,959
Total expenses and transfers	\$ 93,750	\$ 583,167	\$ 110,120	\$ 311,256	\$ 312,453	\$ 1,410,746

See Independent Auditor's Report.

COMMUNITY PARTNERSHIP OF THE OZARKS, INC.

COMBINING SCHEDULE - PROGRAMS EXCLUDING STATE PARTNERSHIP CONTRACTS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>CARA Local</u>	<u>COVID</u>	<u>Greene County</u>	<u>Greene County</u>	<u>M.S.O.M. (Making</u>	<u>Mental Health</u>
	<u>Drug Crises</u>	<u>(CDBG)</u>	<u>CARES Act</u>	<u>Emergency Rental</u>	<u>Sense of Money)</u>	<u>Awareness</u>
			<u>Award</u>	<u>Assistance</u>	<u>Fin. Literacy (CDBG)</u>	<u>Training</u>
Salaries and related expenses	\$ 15,228	\$ 34,362	\$ 6,448	\$ 26,974	\$ 17,824	\$ 37,864
Professional fees	2,092	-	-	1,458	-	6,408
Program supplies and materials	7,425	24	35,849	5,909	-	2,498
Telephone	20	-	-	507	-	171
Occupancy	740	-	1,850	1,031	-	1,244
Insurance	70	-	-	727	-	226
Printing	-	-	-	-	-	-
Local travel	68	-	-	15	-	54
Trainings	2,300	-	-	-	-	16,137
Educational programming	-	-	-	-	-	79
Membership dues	16	-	-	33	-	2,407
Equipment maintenance	-	-	-	14	-	105
Outreach	-	162,844	363,961	366,889	-	-
Public education	14,325	-	-	1,617	-	30,900
Indirect cost reimbursement	2,716	-	-	-	-	9,858
Contractual services	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,023</u>
Total expenses before transfers to other funds	50,000	197,230	408,108	405,174	17,824	133,974
Transfers for equipment purchases	<u>-</u>	<u>-</u>	<u>64,985</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses and transfers	<u>\$ 50,000</u>	<u>\$ 197,230</u>	<u>\$ 473,093</u>	<u>\$ 405,174</u>	<u>\$ 17,824</u>	<u>\$ 133,974</u>

See Independent Auditor's Report.

	<u>One Door (CDBG)</u>	<u>Partnerships for Success (Greene County)</u>	<u>Partnerships for Success (Regional)</u>	<u>Prevention Resource Center</u>	<u>S.P.I.R.I.T. Program</u>	<u>VITA (Volunteer Income Tax Assistance)</u>	<u>Total federal partnership contract</u>
Salaries and related expenses	\$ 104,462	\$ 92,658	\$ 46,919	\$ 304,677	\$ 86,782	\$ 33,485	\$ 807,683
Professional fees	-	2,933	642	12,697	858	160	27,248
Program supplies and materials	6	14,720	7,996	38,955	24,730	15,014	153,126
Telephone	-	869	403	1,469	339	1,427	5,205
Occupancy	-	3,098	1,834	16,169	3,672	1	29,639
Insurance	-	337	239	1,121	374	-	3,094
Printing	-	125	40	2,273	355	43	2,836
Local travel	-	68	1,641	5,602	169	6,338	13,955
Trainings	-	2,775	2,166	10,163	637	-	34,178
Educational programming	-	-	590	1,712	187	-	2,568
Membership dues	-	4,657	1,001	5,106	419	-	13,639
Equipment maintenance	-	1	3	42	1	-	166
Outreach	-	-	-	37,541	-	-	931,235
Public education	-	10,793	-	41,772	-	3,500	102,907
Indirect cost reimbursement	-	9,194	4,194	48,711	20,576	5,996	101,245
Contractual services	-	7,290	-	2,075	86,104	-	126,492
Total expenses before transfers to other funds	104,468	149,518	67,668	530,085	225,203	65,964	2,355,216
Transfers for equipment purchases	-	-	-	21,862	1,130	-	87,977
Total expenses and transfers	\$ 104,468	\$ 149,518	\$ 67,668	\$ 551,947	\$ 226,333	\$ 65,964	\$ 2,443,193

See Independent Auditor's Report.