

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON

FINANCIAL STATEMENTS - MODIFIED CASH BASIS

For the Year Ended June 30, 2023

Jones & Roth

CPAs & Business Advisors

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON
FINANCIAL STATEMENTS - MODIFIED CASH BASIS
For the Year Ended June 30, 2023

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Executive Council
United Academics of the University of Oregon
Eugene, Oregon

We have reviewed the accompanying financial statements of United Academics of the University of Oregon (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of June 30, 2023, and the related statements of support, revenue, and expenses - modified cash basis and functional expenses - modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of United Academics of the University of Oregon and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to that matter.

Jones & Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
February 13, 2024

FINANCIAL STATEMENTS

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
June 30, 2023

Assets

Current assets

Cash	\$ 29,547
Cash, savings	16,667
Investments, current portion	<u>1,165,240</u>
 Total current assets	 <u>1,211,454</u>

Total assets \$ 1,211,454

Liabilities and Net Assets

Net assets

Without donor restrictions	\$ 1,203,491
With donor restrictions	<u>7,963</u>

Total liabilities and net assets \$ 1,211,454

See independent accountant's review report and accompanying notes,
which are an integral part of these statements.

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES - MODIFIED CASH BASIS
For the Year Ended June 30, 2023

Net assets without donor restrictions

Revenue, refunds, and other support:

Investment return (Note 3)	\$ 94,430
Services revenue	26,484
Donations revenue	740
Other revenue	1,250
Membership dues	<u>858,737</u>

981,641

Net assets released from restrictions

7,360

Total revenue, refunds, and other support

989,001

Functional expenses:

Program service	674,780
Membership development	99,076
Management and general	<u>102,828</u>

Total expenses

876,684

Increase in net assets without donor restrictions

112,317

Net assets with donor restrictions

Revenue and other support:

Grant revenue	15,323
Net assets released from restrictions	<u>(7,360)</u>

Increase in net assets with donor restrictions

7,963

Change in net assets

120,280

Net assets, beginning of year

1,091,174

Net assets, end of year

\$ 1,211,454

See independent accountant's review report and accompanying notes,
which are an integral part of these statements.

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
For the Year Ended June 30, 2023

	<u>Program Service</u>	<u>Membership Development</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 44,282	\$ 66,422	\$ 68,296	\$ 179,000
Employee benefits	14,917	21,394	20,613	56,924
Payroll taxes	3,418	4,679	5,217	13,314
Advertising	-	567	-	567
Building lease expense	16,418	2,411	2,501	21,330
Copier lease expense	2,204	324	336	2,864
Conventions and conferences	5,956	-	2,911	8,867
Insurance	659	97	100	856
Professional and legal fees	9,929	1,052	1,092	12,073
Utilities	1,651	242	252	2,145
Office expenses	9,577	1,406	1,510	12,493
Representation expense	558,409	482	-	558,891
Faculty program expenses	<u>7,360</u>	<u>-</u>	<u>-</u>	<u>7,360</u>
 Total expenses	 <u>\$ 674,780</u>	 <u>\$ 99,076</u>	 <u>\$ 102,828</u>	 <u>\$ 876,684</u>

See independent accountant's review report and accompanying notes,
which are an integral part of these statements.

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON
NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

United Academics of the University of Oregon (the Organization) is a nonprofit organization that negotiates terms and conditions of employment with the University of Oregon on behalf of its bargaining unit faculty. The Organization aims to promote and defend quality public higher education by working together to uphold the University of Oregon's academic and research priorities. The Organization facilitates the collective bargaining process between the University of Oregon and its employees. The Organization's members are employees of the University of Oregon in Lane County.

Basis of Accounting

The financial statements of the Organization have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America. Accordingly, revenue is recorded when received, rather than when earned, and expenses are recorded when paid, rather than when the obligation is incurred. Accounts receivable, accrued expenses, deferred expenses, and other assets and liabilities which may be material in amount are not reflected, and the financial statements are not intended to present the results of operations and financial position in conformity with generally accepted accounting principles.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting, as described above, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(5) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the financial statements.

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classifications. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. The portion of general and administrative costs that are allocated to the program have been allocated based on time spent on the program's services.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON
NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Investments

Investments in money market accounts and exchange-traded funds are reported at fair value. Investments in certificates of deposit are recorded at cost. Unrealized gains and losses on the exchange-traded funds are included in the change in net assets in the accompanying statement of support, revenue, and expenses - modified cash basis. Subsequent write ups or write downs to fair value to recognize unrealized gains and losses on the certificates of deposit are not recorded. Interest and dividends on exchange-traded funds and certificates of deposit are recognized when received and accrued interest receivable is not recorded.

Leasehold Improvements and Equipment

Purchased leasehold improvements and equipment is recorded at cost at the date of acquisition. Purchases of leasehold improvements and equipment greater than \$1,500 are capitalized and depreciated using the straight-line method over three to fifteen years. There were no leasehold improvements or equipment placed in service or in process as of June 30, 2023.

Net Assets

Net assets of the Organization consist of the following:

Net assets without donor restrictions - These net assets are available for general obligations of the Organization.

Net assets with donor restrictions - These net assets are subject to donor-imposed restrictions on their use that will be met either by actions of the Organization or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenue, and expenses - modified cash basis as net assets released from restrictions.

Revenue Recognition

The Organization has approximately 1,750 bargaining unit members, of which 870 are UAUC members. All UAUC members contribute dues and member dues that are recognized when received.

Liquidity and Availability of Resources

The Organization has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. At June 30, 2023, the Organization's financial assets, reduced by amounts not available for general expenditures within one year, are comprised of the following:

Cash	\$	29,547
Cash, savings		16,667
Investments, current portion		1,165,240
Less: Net assets with donor restrictions		<u>(7,963)</u>
Financial assets available for general expenditure	\$	<u>1,203,491</u>

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON
NOTES TO FINANCIAL STATEMENTS

2. Concentration of Credit Risk

The Organization maintains cash balance and certificates of deposit at financial institutions which, at times, may exceed the federally insured limit of \$250,000 provided by the U.S. Federal Deposit Insurance Corporation (FDIC). At June 30, 2023, the Organization had no balances in excess of FDIC insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its depository accounts.

3. Investments

At June 30, 2023, investments consisted of a money market fund of \$307 and exchange-traded funds of \$1,164,933.

There is a three-level hierarchy for disclosure of fair value determination for investments recorded at fair value. Level 1 represents quoted prices for identical assets in active markets. Examples would include listed stocks and mutual funds. Level 2 consists of pricing inputs observable either directly or indirectly. Examples would include corporate bonds, loans, and less liquid and restricted stocks. Level 3 consists of pricing inputs that are unobservable and include situations where there is little market activity. Examples would include partnership interests and private equity and real estate funds. The fair value of the money market fund and exchange-traded funds were determined using Level 1 measurement inputs.

Investment return for the year ended June 30, 2023 is summarized as follows:

Interest	\$	233
Dividends		21,825
Net unrealized gain on investments		<u>72,372</u>
Total investment return	<u>\$</u>	<u>94,430</u>

4. Lease Obligations

The Organization entered into a five-year lease agreement for the office space on October 1, 2022 requiring monthly payments of \$2,133 with a 3 percent increase each year. Building lease expense for the year ended June 30, 2023 was \$21,330.

The Organization also entered into a five-year lease agreement for a copier starting November 1, 2020 requiring monthly payments of \$225 for the term of the lease. Copier lease expense for the year ended June 30, 2023 was \$2,864.

The leases are considered operating leases for accounting purposes.

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON
NOTES TO FINANCIAL STATEMENTS

5. Lease Obligations, continued

Future required minimum payments under fixed term lease agreements are as follows:

<u>For the Year Ending June 30,</u>	
2024	\$ 28,296
2025	28,296
2026	9,432
2027	6,399
2028	<u>-</u>
Total	<u>\$ 72,423</u>

6. Employee Retirement Plan

During the year ended June 30, 2019, the Organization terminated its 401(k) profit-sharing retirement plan and established a SEP-IRA plan. The Organization contributes a percentage at its discretion, determined by the Executive Council (12.5 percent of employee's salary for the year ended June 30, 2023). Employees are eligible for the plan upon employment. For the year ended June 30, 2023, the Organization contributed \$21,078.

7. Subsequent Events

Management evaluates events and transactions that occur after the statement of assets, liabilities, and net assets - modified cash basis date as potential subsequent events. Management has performed this evaluation through the date of the independent accountant's review report.