

**UNITED ACADEMICS OF THE UNIVERSITY OF OREGON**

**FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

**For the Year Ended June 30, 2021**

*Jones & Roth*

CPAs & Business Advisors

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON  
FINANCIAL STATEMENTS – MODIFIED CASH BASIS  
For the Year Ended June 30, 2021

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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, 2021, 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.

### 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  
April 7, 2022

## FINANCIAL STATEMENTS

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS  
June 30, 2021

**Assets**

<b>Current assets</b>	
Cash	\$ 36,684
Cash, savings	77,021
Investments, current portion	<u>534,909</u>
Total current assets	<u>648,614</u>
<b>Investments, long-term</b>	<u>-</u>
<b>Other Assets-deposit</b>	<u>13,320</u>
<b>Leasehold improvements and equipment</b>	
Leasehold improvements and equipment- in process	25,848
Accumulated depreciation	<u>-</u>
Leasehold improvements and equipment net	<u>25,848</u>
<b>Total assets</b>	<u><u>\$ 687,782</u></u>

**Liabilities and Net Assets**

<b>Net assets</b>	
Without donor restrictions	\$ 687,782
With donor restrictions	<u>-</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 687,782</u></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  
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES - MODIFIED CASH BASIS  
For the Year Ended June 30, 2021

**Net assets without donor restrictions**

Revenue, refunds, and other support:	
Interest income	\$ 12,921
Donations revenue	1,920
Rent and other revenue	8,971
Membership dues	<u>885,694</u>
	909,506
Net assets released from restrictions	<u>-</u>
Total revenue, refunds, and other support	<u>909,506</u>
Functional expenses:	
Program service	722,353
Membership development	78,077
Management and general	<u>110,071</u>
Total expenses	<u>910,501</u>
Decrease in net assets without donor restrictions	<u>(995)</u>

**Net assets with donor restrictions**

Revenue and other support:	
Sponsorship	-
Net assets released from restrictions	<u>-</u>
Increase (decrease) in net assets with donor restrictions	<u>-</u>

**Change in net assets** (995)

Net assets, beginning of year 688,777

**Net assets, end of year** \$ 687,782

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, 2021

	<u>Program Service</u>	<u>Membership Development</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 108,955	\$ 52,084	\$ 75,976	\$ 237,015
Employee benefits	23,018	17,159	21,872	62,049
Payroll taxes	9,235	4,488	6,883	20,606
Advertising	-	785	-	785
Building lease expense	13,447	1,454	2,049	16,950
Copier lease expense	2,840	307	433	3,580
Conventions and conferences	1,473	-	-	1,473
Insurance	-	-	-	-
Professional and legal fees	22,346	504	1,333	24,183
Utilities	3,710	401	565	4,676
Charitable contributions	-	-	150	150
Office expenses	4,989	539	810	6,338
Representation expense	532,340	356	-	532,696
Bargaining expense	-	-	-	-
Faculty program expenses	-	-	-	-
Total expenses	<u>\$ 722,353</u>	<u>\$ 78,077</u>	<u>\$ 110,071</u>	<u>\$ 910,501</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.

**Recent Accounting Standard Adopted**

In April 2016, FASB issued Accounting Standards Update (ASU) No. 2016-10, *Revenue from Contracts with Customers* (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The Organization adopted the new standard effective July 1, 2020, using the full retrospective approach in these financial statements.

The adoption of ASU No. 2016-10 did not have a significant impact on the Organization's financial statements. The Organization's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services at a point in time or over a period of service. Based on the Organization's evaluation process and review of its contracts with members and customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption, and the adoption has not resulted in the recognition of additional assets or liabilities.

**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.

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON  
NOTES TO FINANCIAL STATEMENTS

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

**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.

**Investments**

Investments consist of money market accounts (which are reported at fair value) and certificates of deposit. Investment in certificates of deposit are recorded at cost. Subsequent write ups or write downs to fair value to recognize unrealized gains and losses are not recorded. Interest on certificates of deposit is 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 15 years. The new office space is being remodeled and it will start being depreciated when it is complete in the next fiscal year.

**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.

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON  
NOTES TO FINANCIAL STATEMENTS

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

**Revenue Recognition**

The Organization has approximately 1,700 bargaining unit members, of which 1,020 are UAUO members. All UAUO 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, 2021, the Organization's financial assets, reduced by amounts not available for general expenditures within one year, are comprised of the following:

Cash and cash reserves	\$ 113,705
Investments, current portion	<u>534,909</u>
Financial assets available for general expenditure	<u>\$ 648,614</u>

**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, 2021, 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. Cash Reserve**

The organization previously maintained a reserve amount with respect to the Hudson Union Procedure. Because of the Supreme Court of the United State's Janus decision, the Organization no longer receives fair share fees and no longer needs a reserve to cover potential challenges to fair share fees. Therefore, this reserve has been closed and the funds transferred to another account.

**4. Investments**

At June 30, 2021, investments consisted of a money market of \$215,909 and certificates of deposit totaling \$319,000 with original maturities greater than 90 days.

UNITED ACADEMICS OF THE UNIVERSITY OF OREGON  
NOTES TO FINANCIAL STATEMENTS

**5. Lease Obligations**

The Organization entered into a five-year lease agreement for the office space on March 16, 2021 requiring monthly payments of \$1,970 with a 3% increase each year. In November 2020, the Organization replaced the previous copier lease with a new agreement requiring monthly payments of \$225, set to expire in October 2025. These leases are considered operating leases for accounting purposes. Rent expense for the year ended June 30, 2021, was \$20,150.

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

For the Year Ending June 30,

2022	\$	26,460
2023		27,180
2024		27,900
2025		28,640
2026		<u>23,100</u>
Total	\$	<u>133,280</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, 2021). Employees are eligible for the plan upon employment. For the year ended June 30, 2021, the Organization contributed \$29,402.

**7. Uncertainties**

As of the date of the independent accountant's review report, there exists certain economic uncertainties related to the COVID-19 coronavirus pandemic. The impacts to the Organization's financial condition and operating results for the year ended June 30, 2021 were minimal; however, these continuing uncertainties have the potential to result in a significant impact to the Organization's future financial condition and operating results. However, any such future financial impact and duration of such impact cannot be reasonably estimated at this time.

**8. 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.