

2020

United Way of Florida, Inc.

Financial Statements
and Independent Auditor's Report

June 30, 2020

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**UNITED WAY OF FLORIDA, INC.
TALLAHASSEE, FLORIDA**

JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Governors
United Way of Florida, Inc.
Tallahassee, Florida

We have audited the accompanying financial statements of United Way of Florida, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount 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 in the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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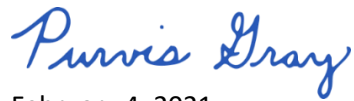
INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2019, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



February 4, 2021
Tallahassee, Florida

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

	2020	2019
Assets		
Cash on Deposit	\$ 175,253	\$ 136,338
Dues Receivable	5,998	20,475
Furniture and Equipment, Net of Depreciation	985	-
Total Assets	182,236	156,813
LIABILITIES AND NET ASSETS		
Liabilities		
Federal Loan Payable	47,685	-
Accounts Payable	8,187	7,233
Deferred Revenue	1,000	-
Agency Funds	155	155
Total Liabilities	57,027	7,388
Net Assets		
Without Donor Restrictions	106,433	130,649
With Donor Restrictions	18,776	18,776
Total Net Assets	125,209	149,425
Total Liabilities and Net Assets	\$ 182,236	\$ 156,813

See accompanying notes.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

	2020	2019
Net Assets Without Donor Restrictions		
Revenue and Support		
Membership Dues	\$ 386,713	\$ 372,869
Other Grants and Contributions	4,947	55,976
Children's Week	127,790	133,205
Senior Day	62,590	74,324
Capital Day	5,093	7,228
Administrative Fees	17,214	23,290
Meetings	2,047	2,538
Interest Income	39	120
Miscellaneous Income	6	50
Total Revenues and Support Without Donor Restrictions	606,439	669,600
Net Assets Released from Restrictions	4,650	146,645
Expenses		
Program Services:		
Member Services	181,586	229,027
Public Policy	170,581	155,932
Children's Week	56,719	147,103
Senior Day	57,331	84,897
Other Contracts and Grants	31,523	183,056
Support Services	137,565	35,968
(Total Expenses)	(635,305)	(835,983)
Increase (Decrease) in Net Assets Without Donor Restrictions	(24,216)	(19,738)
Net Assets With Donor Restrictions		
Revenues and Support		
Disaster Fund Contributions	4,650	103,108
Net Assets Released from Restrictions	(4,650)	(146,645)
Increase (Decrease) in Net Assets With Donor Restrictions	-	(43,537)
Increase (Decrease) in Net Assets	(24,216)	(63,275)
Net Assets, Beginning of Year	149,425	212,700
Net Assets, End of Year	\$ 125,209	\$ 149,425

See accompanying notes.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020,
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

	Member Services	Public Policy	Children's Week	Senior Day	Other Contracts and Grants	Support Services	2020 Total Functional Expenses	2019 Total
Personnel Costs	\$ 87,921	\$ 82,592	\$ 7,993	\$ 10,657	\$ 10,657	\$ 66,607	\$ 266,427	\$ 308,580
Contract Services	70,457	66,187	41,086	35,631	13,171	53,376	279,908	268,196
Professional Fees	3,229	3,034	294	392	392	2,446	9,787	31,309
Office Supplies	2,016	1,894	183	244	244	1,527	6,108	3,085
Communications	1,614	1,516	5,676	8,425	225	1,223	18,679	14,798
Postage	66	62	6	8	8	50	200	168
Occupancy	3,739	3,512	340	453	453	2,833	11,330	11,330
Printing	18	17	2	2	204	14	257	4,029
Meetings and Workshops	5,542	5,206	504	672	672	4,198	16,794	30,826
Professional Dues and Subscriptions	3,452	3,243	314	419	419	2,615	10,462	6,101
Insurance	968	909	88	117	117	733	2,932	3,311
Miscellaneous	1,918	1,801	174	233	233	1,453	5,812	4,105
Unclaimed Property Distribution	637	599	58	77	77	483	1,931	-
Grants and Contributions to Others	-	-	-	-	-	-	-	3,500
Disaster Fund Expense	-	-	-	-	4,650	-	4,650	146,645
Depreciation Expense	9	9	1	1	1	7	28	-
Total Expenses	\$ 181,586	\$ 170,581	\$ 56,719	\$ 57,331	\$ 31,523	\$ 137,565	\$ 635,305	\$ 835,983

See accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Cash Provided from Members	\$ 401,190	\$ 363,520
Cash Provided from Contributions	225,337	417,543
Cash Paid to Employees for Services	(266,427)	(308,581)
Cash Paid to Vendors for Goods and Services	(367,896)	(524,490)
Interest Received	39	120
Net Cash (Used in) Operating Activities	<u>(7,757)</u>	<u>(51,888)</u>
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(1,013)	-
Proceeds from Maturities of Certificates of Deposit	-	108,266
Net Cash (Used in) Provided by Investing Activities	<u>(1,013)</u>	<u>108,266</u>
Cash Flows from Financing Activities		
Proceeds Received from Federal Loan	47,685	-
Net Cash Provided by Financing Activities	<u>47,685</u>	<u>-</u>
Net Increase in Cash	38,915	56,378
Cash, Beginning of Year	<u>136,338</u>	<u>79,960</u>
Cash, End of Year	<u>\$ 175,253</u>	<u>\$ 136,338</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

Note 1 - Organization and Purpose

United Way of Florida, Inc. (the Organization) is a Florida not-for-profit organization established in 1980. It is directed by a Board of Governors comprised of representatives from member United Ways, both volunteers and United Way executives. The Organization exists to serve Florida's 28 local United Ways by providing the membership with a united front on issues of statewide significance in the area of human services, by identifying and pursuing statewide public policy issues, by providing activities and programs that enhance their members' abilities to fulfill their missions, and by facilitating the use of the resources of the United Way of America. The mission of the United Way of Florida, Inc. is to enhance Florida United Ways' efforts to increase the organized capacity of people to care for one another.

The Organization receives member dues from the local United Way members to fund its operations. The dues are based on net campaign revenue.

Areas of priority importance to the Organization include:

- Public Policy - Leadership in the formation and advocacy of public policy as it relates to health and human services.
- ALICE (Asset Limited, Income Constrained, Employed) - Provide statewide leadership and member support to increase awareness of, and programs and advocacy for, the ALICE population.
- United Way Training - Leadership in providing training, networking, and information sharing opportunities for United Ways.

In addition to those three focus areas, the Organization provides general services relating to the array of issues facing non-profits to its members. Children's initiatives include Children's Week, which is a statewide event chaired by the Organization to promote children and family issues. Senior Day is a statewide event chaired by the Organization to educate elected officials regarding the critical importance of senior issues. The Organization has received grants for specific programs or initiatives, including advocacy support for children's issues and for assisting in the preparation of tax returns for low income working Floridians and Florida families.

Note 2 - Summary of Significant Accounting Policies

The Organization prepares its financial statements using the accrual basis of accounting, which is generally accepted.

Revenue Recognition

Member dues are recognized as income over the period to which the dues relate. Member dues collected in advance of the service period have been deferred at year-end. The Organization also receives contributions and grants from businesses and United Way Worldwide. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the nature of any donor restrictions. Donor restricted contributions are reclassified to net assets without donor restrictions when the purpose of the restriction is accomplished.

NOTES TO FINANCIAL STATEMENTS
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

Agency Funds

Agency funds are used to account for receipts that are not owned or controlled by the Organization. The Organization acts as fiscal agent for these funds by accounting for receipts deposited and disbursements made at the direction of the entity from whom they were received. These funds belong to the Clearinghouse on Human Services.

Financial Statement Presentation

Financial statement presentation follows *Accounting Codification Standards (ACS) 958-205, Financial Statements for Not-For-Profit Organizations*. Under ACS 958-205, the Organization is required to report information regarding its financial position and activities as follows:

■ **Without Donor Restrictions**

Net assets that are not subject to donor-imposed stipulations.

■ **With Donor Restrictions**

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, with donor restrictions assets are reclassified to without donor restrictions, and reported in the statement of activities as net assets released from restrictions. Amounts reported as With Donor Restrictions as of June 30, 2020, are restricted by donors for disaster relief.

Functional Allocation of Expenses

The cost of the Organization's programs has been summarized on a functional basis in the statement of activities. Expenses that are directly identifiable with a specific program or initiative are charged to that program. Expenses that relate to both programs and general operations of the Organization are allocated based on management's best estimates of time spent or benefits provided.

Cash on Deposit

Cash consists of funds held in an interest bearing checking account. Accounts at each banking institution are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At times, the balances have exceeded the amounts covered by FDIC insurance. The Organization believes that there is no significant risk with respect to these account balances.

Furniture and Equipment

Office furniture and equipment is reported at cost and depreciated over the assets' estimated useful lives using the straight-line method. Acquisitions in excess of \$1,000 are capitalized. Estimated useful lives range 5-7 years for furniture and 3-5 years for office equipment.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

Date of Management Review

Subsequent events were evaluated through February 4, 2021, which is the date the financial statements were available to be issued. As of this date, no subsequent events were noted.

Comparative Data

The amounts shown for the fiscal year ended June 30, 2019, in the accompanying statement of functional expenses present summarized comparative totals only. Accordingly, the 2019 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2019, from which the summarized comparative information was derived.

Adoption of New Accounting Standard

The Financial Accounting Standards Board (FASB) recently issued Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit (Topic 958) Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which supersedes accounting standards that exist under generally accepted accounting principles related to revenue recognition and will improve the contribution information presented in financial statements and notes for not-for-profits. The Organization implemented this standard during the fiscal year ended June 30, 2020. Management's review of currently existing contribution arrangements noted no indications of conditional contribution transactions for which a change in current recognition of contribution balances would be required.

Accounting Pronouncements Issued But Not Yet Adopted

Revenue

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which supersedes nearly all existing revenue recognition guidance under U.S. generally accepted accounting principles. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgement and estimates may be required within the revenue recognition process than are required under existing U.S generally accepted accounting principles.

The standard is effective for periods beginning after December 15, 2019, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosure). The Association is currently evaluating the impact of its pending adoption of ASU 2014-09 on its financial statements and has not yet determined the method by which it will adopt the standard.

NOTES TO FINANCIAL STATEMENTS
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

Note 3 - Furniture and Equipment

Furniture and equipment consists of the following for the years ended June 30:

	2020	2019
Furniture and Equipment	\$ 5,594	\$ 4,581
(Less Accumulated Depreciation)	(4,609)	(4,581)
Total	\$ 985	\$ -

Note 4 - Retirement Plan

The Organization has a retirement plan and deferred compensation plan, which cover employees over the age of 21. Employees may contribute the maximum amount allowed by law. The Organization contributed 9% of participants' compensation for 2020 and 2019. Contributions to the plan for the years ended June 30, 2020 and 2019, were \$15,580 and \$19,545, respectively.

Note 5 - Leases

The Organization leases its office space from the United Way of the Big Bend. The agreement is from year to year. Rent expense totaled \$11,330 and \$11,330 for the years ended June 30, 2020 and 2019, respectively.

Note 6 - Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and has been classified as an other-than private foundation. Therefore, no provision for income taxes has been recorded.

The FASB issued guidance that requires tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. The Organization is exempt from income tax under IRC Section 501(c)(3), though it is subject to tax on income to its exempt purposes, unless that income is otherwise excluded by the IRC. There are no tax positions for which a material change in any unrecognized tax benefit liability is reasonably possible in the next 12 months. There is no interest or penalties recognized in the income statement or balance sheet. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

Note 7 - Net Assets

The Organization continues to receive contributions for victims of hurricanes. These funds were received and distributed to the affected counties in Florida. The remaining balance will be distributed in the future. The following table details the contributions received for these net assets with donor restrictions:

NOTES TO FINANCIAL STATEMENTS
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

	Hurricane Contributions
Balance - June 2018	\$ 62,313
Received	103,108
Distributed	(146,645)
Balance - June 2019	18,776
Received	4,650
Distributed	(4,650)
Balance - June 2020	\$ 18,776

The Organization’s net assets without donor restrictions include amounts that are designated by its Board of Governors for specific purposes. This includes \$23,500 earmarked for future disasters.

Note 8 - Risks and Uncertainties

The novel coronavirus (COVID-19) spread rapidly across the world in the first quarter of 2020 and was declared a pandemic by the World Health Organization in March 2020. The government and private sector responses to contain its spread began to adversely affect the broader economy and business in general in March 2020 and those impacts will likely affect operations through the remainder of 2020, although such effects may vary significantly. The duration and extent of the pandemic and its effects over long terms cannot be reasonably estimated as of the date the financial statements were available for issuance. The risks and uncertainties resulting from the pandemic that may affect the results of operating activities, cash flows and financial condition include the nature and duration of the curtailment of various program activities and the long-term effect in campaign contributions.

Note 9 - Liquidity and Availability of Financial Assets

The following reflects the Organization’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	2020	2019
Organization’s Financial Assets, at June 30		
Cash on Deposit	\$ 175,253	\$ 136,338
Dues Receivable	5,998	20,475
Total Financial Assets	181,251	156,813
Less Those Unavailable for General Expenditures within One Year, Due to:		
Contractual or Donors Imposed Restrictions:		
Restricted by Donors or with Time or Purpose Restrictions	(18,776)	(18,776)
Organization’s Financial Assets Available to Meet Cash Needs for Expenditures within One Year	\$ 162,475	\$ 138,037

NOTES TO FINANCIAL STATEMENTS
UNITED WAY OF FLORIDA, INC. - TALLAHASSEE, FLORIDA

Note 10 - Federal and State Single Audit Requirements

The Organization had less than \$750,000 in expenses qualifying as federal awards under the *Uniform Guidance*, or State Financial Assistance under the *Florida Single Audit Act*; therefore, no federal or state Single Audit was required for the years ended June 30, 2020 and 2019.

Note 11 - Paycheck Protection Loan

The Organization applied for and received a forgivable Paycheck Protection Loan of \$47,685 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loan was funded on May 4, 2020. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs for the 24 week period through October 18, 2020 and that certain employment levels are maintained.

To the extent a portion of the loan does not meet the criteria to be forgiven, such amount is due on May 4, 2022 and carries an interest rate of 1%. The Organization anticipates using all of the proceeds for eligible costs and expects the entire loan to be forgiven. Upon receipt of a legal release from the obligation, the Organization will record a gain on the extinguishment of debt equal to the amount forgiven.

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