

**FINANCIAL STATEMENTS**

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

**JUNE 30, 2020 AND 2019**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
United Way of West Florida, Inc.  
Pensacola, Florida

We have audited the accompanying financial statements of United Way of West Florida, Inc. (a nonprofit organization), which comprise the statements 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 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 Organization'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 Organization'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 United Way of West Florida, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Prior Period Summarized Comparative Information**

The financial statements of United Way of West Florida, Inc. as of June 30, 2019, were audited by other auditors whose report dated November 5, 2019, expressed an unmodified opinion on those financial statements. 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.

*Brown Thornton Parenta & Company, P.A.*

Pensacola, Florida  
February 11, 2021

# STATEMENT OF FINANCIAL POSITION

## UNITED WAY OF WEST FLORIDA, INC.

June 30, 2020

(with comparative totals for 2019)

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	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
ASSETS		
Cash and cash equivalents	\$ 391,472	190,351
Pledges receivables, net	699,624	901,882
Accounts receivable	80,543	116,251
Prepaid expenses and other	46,372	68,711
Investments	910,341	1,205,718
Property and equipment, net	443,276	532,912
Land held for sale	<u>46,175</u>	<u>-</u>
Total assets	<u>\$ 2,617,803</u>	<u>\$ 3,015,825</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Due to designated agencies	\$ 74,617	\$ 116,350
Allocations payable	556,982	957,005
Custodial funds payable	18,518	6,053
Accounts payable	66,219	21,299
Accrued expenses	34,680	93,748
Capital lease obligation	<u>869</u>	<u>5,933</u>
Total liabilities	<u>751,885</u>	<u>1,200,388</u>
NET ASSETS		
Without donor restrictions	1,234,244	1,009,435
With donor restrictions	<u>631,674</u>	<u>806,002</u>
Total net assets	<u>1,865,918</u>	<u>1,815,437</u>
Total liabilities and net assets	<u>\$ 2,617,803</u>	<u>\$ 3,015,825</u>

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

**STATEMENT OF ACTIVITIES**  
**UNITED WAY OF WEST FLORIDA, INC.**  
**Year Ended June 30, 2020**  
**(with comparative totals for 2019)**

	2020			2019 Total
	Net Assets Without Restriction	Net Assets With Donor Restriction	Total	
Public support and revenue				
Gross campaign results	\$ 1,938,372	\$ 46,969	\$ 1,985,341	\$ 2,041,064
Less donor designations	(266,939)	-	(266,939)	(399,475)
Less provision for uncollectibles	(187,059)	-	(187,059)	(176,940)
Net campaign results	1,484,374	46,969	1,531,343	1,464,649
In-kind contributions	335,570	-	335,570	268,391
Contributions from outside service area	646	-	646	275,037
Investment return	37,863	-	37,863	51,939
Grants, contracts and program revenues	78,210	1,262,846	1,341,056	1,039,597
Other income	249,590	-	249,590	40,716
	2,186,253	1,309,815	3,496,068	3,140,329
Net assets released from restrictions				
Satisfaction of time and purpose	1,484,143	(1,484,143)	-	-
Total public support and revenues	3,670,396	(174,328)	3,496,068	3,140,329
Expenses				
Program services:				
Gross funds awarded/distributed	1,588,923	-	1,588,923	1,719,890
Less donor designations	(266,939)	-	(266,939)	(399,475)
Net funds awarded/distributed	1,321,984	-	1,321,984	1,320,415
Allocation expenses	59,447	-	59,447	52,108
Information and referral	427,299	-	427,299	308,703
Impact initiatives	555,013	-	555,013	487,533
Volunteer services	171,915	-	171,915	198,798
Total program services	2,535,658	-	2,535,658	2,367,557
Support services				
Fundraising	324,367	-	324,367	250,931
Organizational administration	558,289	-	558,289	505,217
Total supporting services	882,656	-	882,656	756,148
Payments to UW National	27,273	-	27,273	28,064
Total expenses	3,445,587	-	3,445,587	3,151,769
Change in net assets	224,809	(174,328)	50,481	(11,440)
Net assets, beginning of year	1,009,435	806,002	1,815,437	1,826,877
Net assets, end of year	\$ 1,234,244	\$ 631,674	\$ 1,865,918	\$ 1,815,437

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

**STATEMENT OF FUNCTIONAL EXPENSES**

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

**Year Ended June 30, 2020  
(with comparative totals for 2019)**

	Gross Funds Awarded/ Distributed	Program Services						Supporting Services			2020	2019	
		Allocation Services	Impact Initiatives	Information and Referral	Volunteer Services	Total Program Services	Fundraising	Organizational Administration	Total Supporting Services	Total Expenses	Total Expenses		
Expenses													
Gross funds awarded/distributed	\$ 1,588,923	\$ -	\$ -	\$ -	\$ -	\$ 1,588,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,588,923	\$ 1,719,890
Less donor designations	(266,939)	-	-	-	-	(266,939)	-	-	-	-	-	(266,939)	(399,475)
Net funds awarded/distributed	1,321,984	-	-	-	-	1,321,984	-	-	-	-	-	1,321,984	1,320,415
Depreciation	-	2,072	15,308	4,790	5,126	27,296	7,203	11,137	18,340	45,636	50,778	50,778	50,778
Dues and subscriptions	-	511	3,978	1,746	1,390	7,625	1,853	3,668	5,521	13,146	10,510	13,146	10,510
Interest	-	7	52	317	19	395	25	212	237	632	700	632	700
Maintenance and repairs	-	8,661	2,314	3,857	720	15,552	846	3,766	4,612	20,164	47,644	20,164	47,644
Occupancy	-	3,689	20,847	10,576	9,716	44,828	11,157	21,225	32,382	77,210	83,438	77,210	83,438
Other	-	239	1,248	14,176	1,833	17,496	12,927	5,704	18,631	36,127	46,917	36,127	46,917
Personnel expenses	-	43,075	374,464	254,213	116,104	787,856	214,546	383,802	598,348	1,386,204	1,132,176	1,386,204	1,132,176
Postage	-	13	137	336	436	922	863	1,329	2,192	3,114	5,381	3,114	5,381
Printing and promotion	-	11	86,273	57,751	16,194	160,229	34,713	86,966	121,679	281,908	205,766	281,908	205,766
Professional services	-	484	6,582	67,096	15,709	89,871	31,977	28,573	60,550	150,421	121,641	150,421	121,641
Staff development	-	7	6,627	10,290	2,625	19,549	5,262	6,652	11,914	31,463	35,243	31,463	35,243
Supplies	-	68	536	556	437	1,597	832	1,028	1,860	3,457	12,526	3,457	12,526
Telephone	-	610	36,647	1,595	1,606	40,458	2,163	4,227	6,390	46,848	50,570	46,848	50,570
Total expenses, net of national dues	\$ 1,321,984	\$ 59,447	\$ 555,019	\$ 427,299	\$ 171,915	\$ 2,535,658	\$ 324,367	\$ 558,289	\$ 882,656	\$ 3,418,314	\$ 3,123,705	\$ 3,418,314	\$ 3,123,705
Payments to UW National										27,273.00	28,064		28,064
Total expenses										\$ 3,445,587	\$ 3,151,769		\$ 3,151,769

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

**STATEMENT OF CASH FLOWS**  
**UNITED WAY OF WEST FLORIDA, INC.**  
**Year Ended June 30, 2020**  
**(with comparative totals for 2019)**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 50,481	\$ (11,440)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	45,635	50,778
Loss on disposal of equipment	5,397	-
Gain on sale of securities	-	(640)
Unrealized gain on investments	(13,956)	(35,348)
Donated securities	-	(15,559)
Provision for uncollectible accounts	187,059	-
Change in assets and liabilities		
Decrease (increase) in operating assets:		
Pledges receivable-net	15,199	(140,559)
Accounts receivable	35,708	80,999
Prepaid expenses	22,339	(6,976)
Increase (decrease) in operating liabilities:		
Due to designated agencies	(41,733)	(4,234)
Allocations payable	(400,023)	107,005
Custodial funds payable	12,465	262
Accounts payable	44,920	9,006
Accrued expenses	(59,068)	21,566
Net cash (used) provided by operating activities	(95,577)	54,860
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in investments, net	309,333	49,390
Acquisition of equipment	(7,571)	(15,502)
Net cash provided by investing activities	301,762	33,888
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on capital lease	(5,064)	(4,880)
Net cash used by financing activities	(5,064)	(4,880)
<b>NET INCREASE IN CASH</b>	201,121	83,868
Cash and equivalents, beginning of year	190,351	106,483
Cash and equivalents, end of year	\$ 391,472	\$ 190,351

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



## NOTES TO FINANCIAL STATEMENTS

### UNITED WAY OF WEST FLORIDA, INC.

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#### NOTE A - ORGANIZATION

United Way of West Florida, Inc. (the Organization) began as Greater Pensacola United Fund, Inc., in 1944, and as United Way of Escambia County, Inc., through May 28, 2019. The Organization increased its service area to include its neighboring county on March 6, 2019. A local volunteer Board of Directors governs the Organization. The mission of the Organization is uniting our community and leveraging resources to improve lives.

The Organization works with community partners, including a network of partner agencies, businesses, schools, governments, and other funding sources to raise funds through an annual campaign to raise support for participating agencies.

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Financial Statement Presentation - The Organization reports information regarding its financial position and activities according to two classes of net assets.

*Net Assets Without Donor Restrictions* - not subject to donor-imposed stipulations.

*Net Assets With Donor Restrictions* - subject to donor-imposed stipulations.

Net assets are classified based on externally imposed restrictions, if any, that may or may not be met by actions of management or by the passage of time.

2. Basis of Accounting - The Organization prepares its financial statements on the accrual basis of accounting, following accounting principles generally accepted in the United States of America for nonprofit organizations.
3. Cash and Cash Equivalents - For the purposes of the statements of cash flows, the Organization considers investments in highly liquid debt instruments with original maturities of three months or less to be cash equivalents. The Organization does not include cash held within its separate investment accounts (see note D) as cash and equivalents.
4. Contributions - The Organization records contributions as with or without restrictions, depending on the existence and/or nature of any donor restrictions. Donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without restrictions and are reported as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same fiscal year are reported as net assets without restrictions.

## NOTES TO FINANCIAL STATEMENTS

### UNITED WAY OF WEST FLORIDA, INC.

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#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pledges Receivable - Pledges receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until such time as the conditions are substantially met. There were no conditional promises made to the Organization during the year ended June 30, 2020. An allowance for uncollectible pledges receivable is provided based on management's estimate using prior collection history and current economic conditions.
5. Accounts Receivable - Accounts receivable consist primarily of grants or amounts due from providing services or goods. Management believes no allowance for doubtful accounts is necessary.
6. Investments - Investments are stated at fair value. Donated investments are recorded at fair value at the date of the gift.
7. Property and Equipment - Property and equipment are carried at cost or, if donated, at fair market value on date of gift. The Organization capitalizes asset acquisitions over \$500. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:
- |                            |               |
|----------------------------|---------------|
| Buildings and improvements | 15 - 30 years |
| Furniture and fixtures     | 5 - 10 years  |
| Equipment                  | 5 - 7 years   |
8. Impairment of Long-Lived Assets - Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recovered. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair market value of the assets. As of June 30, 2020, none of the Organization's long-lived assets were considered to be impaired.
9. Due to Designated Agencies - Donors contributing to the Organization may choose to designate that all or part of their contributions be distributed to specific agencies. These transactions are reported in the statement of activities as part of the Organization's campaign results and are then deducted to arrive at the net campaign revenue. Amounts deducted are carried as liabilities, net of an estimated allowance for uncollectible amounts, until paid to the designated agencies.

## NOTES TO FINANCIAL STATEMENTS

### UNITED WAY OF WEST FLORIDA, INC.

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#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Donated Services and Materials - During the year ended June 30, 2020, approximately 36,137 hours were volunteered by employees or local workplaces and unaffiliated volunteers participating in various volunteer activities, including but not limited to: Day of Caring, Cram the Van, Communities Caring at Christmas, Miracle on Palafox, the United Way Community Investment Process, and the United Way Loaned Executive Program. No value has been recognized for these volunteer hours in the financial statements, because the criteria established by the Financial Accounting Standards Board (FASB) for recognition of such volunteer efforts have not been satisfied.

Donated services including media space (television and radio airtime and newspaper print space) are recorded if the services received create or enhance long-lived assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Donated materials and supplies are recorded at fair value at the date of donation.

11. Grants - The Organization records grant revenue over the period of the award and the provisions of the grant determine the timing of the revenue recognition. Grant expenses are recognized when incurred. Amounts that have been awarded but not received are recorded as grant receivable.
12. Allocation of Functional Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been estimated and allocated among the programs and supporting services benefited based on management's best judgement.
13. 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.
14. Income Taxes - United Way of West Florida, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been recognized. The Organization annually files federal information returns (Form 990), which are subject to possible examination by the taxing authorities until the expiration of the related statute of limitations, which is generally three years, for the years ended June 30, 2017 through 2020.

Management believes it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements and no returns are currently under examination.

## NOTES TO FINANCIAL STATEMENTS

### UNITED WAY OF WEST FLORIDA, INC.

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#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Financial Instruments - The Organization's financial instruments include cash, pledges and accounts receivable, certain investments, designated/allocations payable, accounts payable, accrued expenses, and capital lease obligations. The carrying values of cash, pledges and accounts receivable, designated/allocations payable, accounts payable and accrued expenses approximate their fair values due to their short-term nature. The carrying value of capital lease obligations approximates fair value due to their bearing interest at rates that approximate current market rates for notes with similar maturities and credit quality.
16. Comparative Financial Information - The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Certain accounts and activities in the prior year information have been reclassified to conform to the presentation in the current year financial statements.

17. New Accounting Pronouncements - In May 2014, the FASB ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance will require changes in the method and timing of recognition of certain contract revenues and related expenses. This ASU and its amendments will supersede the revenue recognition requirements in *Topic 605, Revenue Recognition*, and most industry specific guidance. For nonpublic entities, these amendments are effective for annual reporting periods beginning after December 15, 2019.

During the year ended June 30, 2019, the Organization adopted Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 represents phase 1 of FASB's Not-for-Profit financial reporting project and reduces the number of net asset classes, requires expense presentation by functional and natural classification, requires quantitative and qualitative information in liquidity, retains the option to present the cash flow statement on a direct or indirect method as well as includes various other additional disclosure requirements. ASU 2016-14 was implemented on a retroactive basis. As a result, the June 30, 2019 opening net assets classified as temporarily and permanently restricted net assets prior to adoption of ASU 2016-14 totaling \$406,103 and \$366,926, respectively, have been reclassified as net assets with donor restrictions in the accompanying financial statements.

## NOTES TO FINANCIAL STATEMENTS

### UNITED WAY OF WEST FLORIDA, INC.

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#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires lessees to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by leases with lease terms of more than twelve months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee will continue to primarily depend on its classification as a finance or operating lease. However, unlike current U.S. GAAP, which requires only capital leases to be recognized on the statement of financial position, ASU 2016-02 will require both types of leases to be recognized on the statement of financial position. ASU 2016-02 also requires disclosures about the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. This standard is effective for fiscal periods beginning after December 15, 2021. The Organization plans to adopt this ASU for its year ending June 30, 2023.

- 18 Events Occurring After the Reporting Date - The Organization has evaluated events and transactions that occurred between June 30, 2020 and February 11, 2021, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

#### NOTE C - PLEDGES RECEIVABLE

Pledges receivable and changes in the allowance for uncollectible amounts during the year ended June 30, 2020, are summarized as follows:

Pledges receivable	\$	897,865
Allowance for uncollectible pledges:		
Balance - beginning of year		183,952
Add provision for uncollectible pledges		201,348
Deduct write-off of net uncollectible pledges and amounts received from prior campaigns		<u>(187,059)</u>
Balance - end of year		<u>198,241</u>
Pledges receivable - net	\$	<u>699,624</u>

No discount has been applied to the pledge receivable balance at June 30, 2020, as all pledges are collectible within one year.

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE D - INVESTMENTS**

The Fair Value Measurements (FASB Accounting Standards Codification 820-10) provides a framework for measuring fair value under generally accepted accounting principles. Fair Value Measurements establishes a fair value. This hierarchy consists of three broad levels; Level 1 consists of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 consists of observable inputs other than quoted prices for identical assets; and Level 3 consists of significant unobservable inputs and have the lowest priority. The Organization measures fair value using Level 1 inputs; there were no Level 2 or Level 3 inputs at June 30, 2020.

Fair value of assets measured on a recurring basis at June 30, 2020, are as follows:

	Fair Value	Level 1
Mutual funds - equity	\$ 526,745	\$ 526,745
Mutual funds - fixed income	342,290	342,290
	\$ 869,035	\$ 869,035

Cost, fair value and unrealized gains from acquisition until June 30, 2020, for assets held as investments are summarized as follows:

	Cost	Fair Value	Unrealized Gains (Losses)
Cash	\$ 41,306	\$ 41,306	\$ -
Mutual funds - equity	441,228	526,745	85,517
Mutual funds - fixed income	325,285	342,290	17,005
	\$ 807,819	\$ 910,341	\$ 102,522

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE D - INVESTMENTS (Continued)**

Investment return for the year ended June 30, 2020, is summarized as follows:

Dividends and interest	\$ 22,110
Realized gains on sales of securities	8,751
Less investment expense	<u>(6,954)</u>
	23,907
Unrealized gains on investments	<u>13,956</u>
	\$ <u>37,863</u>

Investments at June 30, 2020, were included in the following net assets accounts:

Without restrictions	\$ 543,415
With restrictions	<u>366,926</u>
	\$ <u>910,341</u>

**NOTE E - PROPERTY AND EQUIPMENT**

Property and equipment, net of held for sale, consisted of the following as of June 30, 2020:

Land	\$ 46,175
Building improvements	1,143,825
Building improvements	56,923
Furniture and equipment	<u>102,228</u>
	1,349,151
Less accumulated depreciation	<u>(905,875)</u>
Property and equipment - Net	\$ <u>443,276</u>

Depreciation expense totaled \$45,636 for the year ended June 30, 2020.

**NOTES TO FINANCIAL STATEMENTS**

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

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**NOTE F - DESIGNATIONS AND ALLOCATIONS PAYABLE**

Due to designated agencies, allocations payable and custodial funds payable at June 30, 2020 represent either designations by donors or allocations payable as determined by the Organization. These amounts are all due and payable within one year.

**NOTE G - CAPITAL LEASE OBLIGATION**

The Organization leases office equipment. Obligations under capital leases have been recorded in the accompanying financial statements at the present value of future minimum lease payments. The capitalized cost and accumulated depreciation of this equipment at June 30, 2020, was \$24,201 and \$24,201, respectively. Subsequent to year end, the Organization entered into a new lease.

Future minimum lease payments under this capital lease are as follows:

<u>Years Ending June 30,</u>	<u>Amounts</u>
2021	\$ 1,974
2022	1,320
2023	1,320
2024	1,320
2025	<u>1,320</u>
Total future payments	7,254
Less amounts representing interest	<u>73</u>
Present value of future payments	<u><u>\$ 7,181</u></u>

Interest paid and expensed under these leases for the year ended June 30, 2020, was \$155.



**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE H - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted at June 30, 2020 for the following purposes or periods:

Subject to expenditure for specified purpose:	
Grants, fiscal agent funds, and other initiatives	\$ 179,277
Achieve Escambia	63,203
Time	<u>22,268</u>
Total subject to expenditure for specified purpose	264,748
Endowment subject to organization's spending policy and appropriation:	
Endowment funds (see Note I)	<u>366,926</u>
	<u>\$ 631,674</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified as follows:

Grants, fiscal agent funds, and other initiatives	\$ 755,780
Achieve Escambia	305,121
Annual Meeting, Miracle on Palafox, Stuff the Bus and Day of Caring	110,183
COVID-19	257,523
Time	<u>55,536</u>
	<u>\$ 1,484,143</u>

**NOTE I - ENDOWMENT FUNDS**

Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held in perpetuity with the income therefrom available as a contribution to the campaign each year. Income includes market value changes (unrealized and realized) and interest and dividends. The income therefrom is considered as an increase in net assets without restrictions since the Organization deems the restriction as met in the same reporting period. Any market declines below the original contributions are shown as a reduction in net assets without restrictions.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide campaign contributions for the United Way of West Florida, Inc. Under these policies, as approved by the Board of Directors, endowment assets are invested in a manner that is intended to produce long-term growth of capital without undue exposure to risk.

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE I - ENDOWMENT FUNDS (Continued)**

The composition and changes in endowment funds for the year ended June 30, 2020, are as follows:

Endowments:	
Endowment net assets, beginning of year	\$ 366,926
Investment income	3,550
Net unrealized and realized gains (losses)	5,661
Investment expenses	(2,830)
Amounts appropriated	<u>(6,381)</u>
Endowment net assets, end of year	<u>\$ 366,926</u>

**NOTE J - IN-KIND GIFTS**

In-kind gifts include contributions of tangible and intangible personal property and were expensed as follows:

Printing, media advertising and promotion	\$ 231,890
Cram the Van and related in-kind distributions	50,767
Miscellaneous, operating supplies and expenses	<u>52,913</u>
	<u>\$ 335,570</u>

**NOTE K - PAYCHECK PROTECTION PROGRAM CONTRIBUTION**

United Way of West Florida, Inc. received an SBA loan for \$216,815 from Synovus Bank on April 15, 2020. The interest rate is 1%. The term of the loan is 24 months with the first 6 months of interest and principal payments deferred with interest accruing. The loan is made pursuant to the Paycheck Protection Program (PPP) as part of the Coronavirus Aid, Relief, and Economic Security Act. The Organization expects the loan to be fully forgiven.

The Organization is following *FASB ASC 958-605* to account for the PPP funds as a conditional contribution. During the year ended June 30, 2020, the Organization recognized contribution revenue as it incurred qualifying PPP expenses; the Organization reported \$216,815 of revenues in other income on the statement of activities.

**NOTES TO FINANCIAL STATEMENTS**  
**UNITED WAY OF WEST FLORIDA, INC.**

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**NOTE L - EMPLOYEE BENEFIT PLAN**

The Organization sponsors a 401K retirement plan through their employee leasing company. The plan covers substantially all the Organization's employees who have met certain service requirements. Employees' vesting is based on a five-year schedule. Employer contributions are 50% of employee contributions with a 3% cap on the employer match and amounted to \$9,217 during the year ended June 30, 2020.

**NOTE M - RELATED PARTIES**

Due to designated agencies represents the amount of contributions pledged and designated to other non-profit organizations, including the Organization's member agencies.

The Organization is required to make payments for membership privileges to the related national organization. For the year ended June 30, 2020, payments to national were \$27,273. The Organization also received a COVID-19 grant from the national organization for \$16,633.

**NOTE N - CONCENTRATION OF RISK**

The standard FDIC coverage is \$250,000 at each financial institution. As of June 30, 2020, the Organization maintained cash balances of \$213,362 in excess of FDIC coverage.

**NOTE O - RISKS AND UNCERTAINTIES**

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of net assets.

Each year the Organization records a provision for uncollectible pledges which is estimated based on past collection experience and current economic conditions. It is at least reasonably possible that changes in this estimate in the near term could be material to the financial statements.

## NOTES TO FINANCIAL STATEMENTS

### UNITED WAY OF WEST FLORIDA, INC.

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#### NOTE P - LIQUIDITY AND AVAILABILITY

The Organization's primary source of support is income from contributions. The Organization has a policy to manage its liquidity following three guiding principles: operating within a prudent range of financial stability; maintaining adequate liquidity to fund near-term operations; and maintaining sufficient resources to provide reasonable assurance that long-term operations will be maintained. The following table reflects the Organization's financial assets reduced by amounts not available for general expenditures within one year:

Financial Assets	
Cash and equivalents	\$ 391,472
Receivables	780,167
Investments	<u>910,341</u>
Total	<u>2,081,980</u>
Less those unavailable for general expenditure within one year, due to:	
Net assets with donor restrictions	<u>(631,674)</u>
Financial assets available to meet cash needs	<u>\$ 1,450,306</u>

#### NOTE Q - COVID-19

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of business and issued stay at home orders for individuals. While the disruption is currently expected to be temporary, there is considerable uncertainty. The Organization expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

#### NOTE R - SUBSEQUENT EVENTS

The Organization had land held for sale at year end. The current asking price of the property is \$985,000. The property has not subsequently been sold but has received an offer.

The Organization received a grant from FEMA subsequent to year end. The grant was related to Hurricane Sally that affected the Gulf Coast totaling \$373,638 through April 2021.